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ECONOMIC AFFAIRS

No. 297



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ECONOMIC PLANNING

PLANNING COMMISSION VICE MINISTER DISCUSSES NEW PLAN

OW121409 Beijing Domestic Service in Mandarin 1200 GMT 8 Dec 82

[Text] Song Ping, NPC deputy and vice minister in charge of the State Planning Commission, made a special speech on finalizing and implementing the Sixth 5-Year Plan at a group meeting of the Fifth Session of the Fifth NPC.

Song Ping said: The guiding ideology of the Sixth 5-Year Plan is the principle on readjusting the national economy formulated by the 3d Plenary Session of the 11th CPC Central Committee. The plan adheres to the principle of proceeding from the actual conditions, seeking truth from facts and doing what is within our capabilities. An outstanding characteristic of the Sixth 5-Year Plan is its stress on increasing economic results.

Sone Ping said: To insure fulfillment of the goals of the Sixth 5-Year Plan, we must do a solid job in the following fields of work:

First, we must stress the key projects while striking an overall balance and push forward the development of agriculture, energy resources, transport, education and science to spur the development of the national economy as a whole. In developing energy resources, we should sum up experiences and blaze a new path for speedier exploitation.

Second, we must adopt effective measures to strictly control the overall scale of investments in fixed assets. To control the scale of capital construction, the key lies in strictly controlling investments outside the budget and properly handling the relationship between local interests and the overall interests. Except for the construction funds levied by the state for energy and transport development, it is imperative to use the money earmarked for capital construction where it is most needed in accordance with the overall scale of construction stipulated by the state. We must make concerted efforts at all levels to do a good job in capital construction.

Third, we must place technical transformation on the agenda of important matters. During the period of the Sixth 5-Year Plan, 130 billion yuan are earmarked for the technical transformation of existing enterprises. This is another important feature of the Sixth 5-Year Plan. To do a good job in technical transformation, it is first of all necessary for all trades and occupations to proceed from reality and possibility, draw up technical transformation plans and put forward a technical

policy and orientation of development suited to their own characteristics so that the existing enterprises will shift step by step to a new technical basis. It is necessary to bring into full play the role of the vast numbers of intellectuals, organize efforts to tackle key scientific and technological research projects, and do a good job in the "four shifts" in the application of advanced technology [to apply the results of scientific and technological research in laboratories to production, apply those gained in the national defense industry to production for both defense and civilian purposes, apply those gained in the coastal areas to production in the hinterland, and assimilate foreign experience for use in China].

In this way, the chances are very good for us to quadruple our gross annual industrial and agricultural output value by the end of the century.

CSO: 4006/147

ECONOMIC PLANNING

'SIXIANG ZHANXIAN' DISCUSSES YUNNAN DEVELOPMENT

HK080930 Kunming SIXIANG ZHANXIAN in Chinese No 5, 24 Oct 82 pp 14-16

[Article by Zhang Huaiyu [1728 2037 3254] and Yu Chaoxi [0151 2600 0932]: "An Elementary Analysis of the Problems of Yunnan's Economic and Social Development Strategy"]

[Text] Economic theory circles and many practical workers are now discussing the problems of the economic and social development strategy of our country. The following is our elementary analysis of how Yunnan Province defined its strategic principle and the strategy taken by the province in relation to the economic and social development strategy.

Correct Guiding Ideology and Methods Are Needed

In studying the strategy of economic and social development, it is necessary to have correct guiding ideology and methods. First, it is necessary to seek a way to develop the socialist economy and society according to the specific conditions of the province so that its economy and society is able to develop in the most favorable direction toward meeting to the greatest extent the increasing needs of people's material and cultural life and make still greater contributions to the socialist motherland. Second, it is imperative to follow basic Marxist principles on economic and social development so as to guarantee that the economy and society will be able to develop along the socialist road. At the same time, the strategic development of a province must follow the general guiding ideology, strategic principle, line and policies of the economic and social development strategy of the whole country. So the strategic orientation, strategic goal and measures of Yunnan Province must be put under the general strategic goals of the CPC Central Committee.

Proceed From Specific Conditions in Yunnan Province

The ideological line put forth by the 3d Plenary Session of the 11th CPC Central Committee of seeking truth from facts and proceeding from reality is the guiding principle for our work. The defining of Yunnan Province's economic and social development strategy must also follow this guiding ideology, be based on the province's specific conditions and on the full study and understanding of the features of the province while the correct strategy and policy and the defining of the principle for work must also be based on the situations in the province.

What are the specific features of Yunnan Province? They may be summed up in the following:

First, Yunnan Province has a "developing type" economic structure. Its economy and culture are lagging behind those of the provinces in the hinterland and the coastal provinces and prefectures. It is not self-sufficient in finance and grain. It is apparent that this province is an underdeveloped region with a population still living a comparatively poor life. Over the past 30 years and more, the province has carried out the strategy of catching up with and surpassing other provinces in a bid to narrow its differences with the national average level and advanced regions, but these efforts have resulted in bigger and bigger differences. Therefore, it is necessary for us to restudy the selection of strategic ideology, strategic goals and strategic measures; we must no longer follow each step and measure of advanced regions; on the contrary we should have our own way of development.

Second, Yunnan Province has advantageous natural conditions and it abounds in natural resources. It has 10 big advantages (tobacco, sugar, tea, nonferrous metals, phosphorus ores, forests, animal husbandry, rubber, water resources and tourist resources); compared with other provinces and regions, Yunnan Province belongs to the upper and middle level, its climate is better than north China, northeast China and northwest China, while its water and energy resources and other resources are richer than east China and south China and in southwest China the province is second only to Sichuan. Now the question of how to turn these natural advantages into economic advantages, turn the potential advantages into actual advantages and exploit all underground and surface resources for the province itself. At the same time, we must understand that the province has two disadvantages, backward culture and backward transportation, and they constitute a vital weak point that has hindered the development of the economy and society of our province. Therefore we must follow the strategic principle of displaying advantages and avoiding disadvantages, establish the features that according with our conditions and form the economic structure and modes that will display our advantages.

Third, Yunnan Province is characterized by hilly regions, many minority nationalities and a borderline. Hilly regions make up 94 percent of the total area of the province and there are 22 minority nationalities with a total population amounting to one-third of the total provincial population; the province's borderline is more than 4,000 kilometers and borders the three countries of Vietnam, Laos and Burma. This is a unique condition of the province. The province is basically backward in hilly regions, minority nationality regions and border regions. The differences between these areas with the provincial capital of Kunming are even bigger than the differences between the province and the whole country. The economy and society of all of Yunnan Province will develop only when the economy and society of these areas is developed. Therefore, in strategic ideology, prominence must be given to exploiting the hilly areas, developing minority nationality areas and developing the prosperity of border areas, and it is also necessary to gradually shift our key work and investment orientation to these areas. We can in no way just concentrate our attention in plain areas, Han Nationality areas and hinterland areas and without having a far-reaching strategy.

Fourth, economic and cultural construction over the past 30 years and more has formed a certain material and technical foundation for the province. Since the 3d Plenary Session of the 11th CPC Central Committee in particular, provincial industrial and agricultural production has been developing very rapidly. All these achievements are our starting points to continue to make progress. An important problem that has to be considered in defining development strategy is to make a full use of this foundation and display its roles, take measures to make industry support agriculture, heavy industry support light industry, plain areas support hilly areas and advanced departments and areas support backward departments and areas and to promote the economic and social development of the whole province.

Fifth, Yunnan Province is located in the western part of the country with backward transportation. In addition historically, the province was subject to separation by warlords and as a result was closed to hinterland and provinces and coastal provinces and regions, its economy and culture were backward and it was ill-informed. After liberation, the Guizhou-Kunming and Chengdu-Kunming railways were built and the situation in the province has since been greatly improved. But Yunnan Province is a vast area, with precipitous topography. While the economy and society along the railways and highways are comparatively developed, the vast rural areas, hilly regions and nationality regions are still backward and all these areas are characterized by "indigenous" situations. How to improve these situations and develop in a big way the economic and cultural exchanges between these areas and the hinterland areas and advanced areas are important questions that must be considered in defining strategic policy.

The above five points are the basic conditions and features of Yunnan Province, and there are also other aspects such as high population growth, patriarchal feudal thinking, stronger social restrictions toward other provinces and the outside world and more serious influences of the old traditional and habitual force. But all these are the results of a backward economic foundation. The only solution for us is to define a development strategy that is in line with the province's specific conditions and features so that the province will be able to develop its economy and society more rapidly.

Conscientiously Sum Up Experiences and Lessons and Handle Well the Relations Among the Above Mentioned Five Points

In defining the economic and social development strategy for the province, it is imperative to start from summing up experiences and lessons so as to avoid making mistakes again. The following efforts must be made in handling well the relations among the five points mentioned above:

The first is the relations between speed and efficiency. In this aspect, we must learn from the past lessons of seeking high speed but with low efficiency. At the same time, we must choose a new way of making proper speed with better economic efficiency and with more benefits for the people, handle well the dialectical relations between speed and efficiency, carry out work according to our strength and make stable development so that all our works will take the road of higher economic efficiency.

Second, the relations between accumulation and consumption. We must take warning from the past lessons which were characterized by high accumulation and low consumption. We must rationally arrange economic construction and the needs of people's life; that is to say, we have to eat and we have to carry out construction and therefore consideration must be given to these two aspects. The problems of food and clothing are more prominent in our province than in some other provinces and therefore it has become an urgent task for the province to improve people's standard of living and develop the production of consumer goods, including developing agricultural production.

Third, the relations of proportions among agriculture, light industry and heavy industry. We must guard against the reoccurrence of an unbalanced national economy. We must base ourselves on the Marxist principle of proportionate development of social reproduction of the two big categories and proceed from the specific conditions of our province to form a rational economic structure, supply each other's needs through exchanges of goods with other provinces and other countries so that the economy of our province will evolve well and grow strong. The province's economic and social history and its present conditions show that the province must take agriculture as the foundation, and such a foundation is not only required for production, people's life and preparation against war but is also the foundation for making steady progress.

Fourth, the relations between exploitation and protection. We must learn from lessons of other countries and our own lessons in which in the process of industrial and agricultural production, forest and ore resources as well as the ecological balance were spoiled and the environment was damaged. We must correctly handle the relations among exploiting and protecting resources, protecting productivity and protecting the ecological environment. The province is a "developing" region. Therefore, in defining the principle for considering exploiting resources up to actually exploiting them, it is necessary to firmly hold the strategic thinking of rationally protecting the resources and take protective measures right from the beginning through to the end of projects. These measures concern the life of our future generations and therefore are very important.

Fifth, the relations between the production of goods and means of production and population growth. This question is commonly shared by the developing countries. The growth of the population in our province is rather high, particularly in the broad rural areas and in the areas where minority nationality people live. High population growth directly influences the speed of the development of the economy and society and causes some social problems. Therefore, in defining strategic planning, we must coordinate the balance between the production of goods and means of production and the growth of population and take effective measures to control population growth.

Set Up Props for Economic Development

From the long-term point of view, the 10 big advantages of Yunnan Province should and are in a position to be the province's economic prop for supporting finance and national revenues. The production of tobacco and sugar have become economic

advantages for the province and bring in more than 40 percent of the province's income. In addition, this production has very big potential both in quality and per-unit output and can continue to develop in the next several years. But seen from another viewpoint, the development of tobacco production will encounter such problems as contending with sugar and grain production for marketing and contending for land, and therefore its development will be limited. Tea production, nonferrous metals and phosphorus ores also will become provincial economic props in the near future and for quite a long period to come, and this production can be developed in a big way. The problem in tea production is mainly low per-unit output and once the related policy is improved and scientific management is employed, will be quite possible for tea production to double or triple. Compared with the highest record in history, the production of nonferrous metals tends to decrease. But Yunnan Province enjoys exceptional advantages in rich natural resources, therefore measures must be taken to step up the exploitation of new ore mines in the 1980's so as to achieve a relatively big growth in the 1990's and make greater contributions to the country. The construction of phosphorus mines is expected to be completed and to begin production during the Sixth 5-Year Plan and with greater development. The growth of forestry, animal husbandry and rubber production is relatively slow now, therefore, it is imperative to make a breakthrough in the related policy and in scientific technology so as to step up the development of these areas. The problems in the exploitation of water resources include big investment, long construction periods and backward traffic, with difficult construction conditions. The water resources that have already been exploited only make up a little more than 1 percent of the exploitable volume. Now the problem in this aspect is how to raise funds, step up exploitation, develop from small to big and complete one project after another. Efforts must be made in this area so as to make bigger achievements in the next 10 years. All this represents a basic link in the province for achieving complete economic emancipation. Further progress should include exploiting nonferrous ores and phosphorus ores by making use of water resources, combining ore production with electricity and supporting industrial and agricultural production and transportation so that people in both rural and urban areas will receive electricity. In the future the province can also export electricity to other parts of the country and other countries.

Of the 10 big advantages, the tourist industry should draw our attention in particular. Yunnan Province has a number of scenic spots with a good climate and varied topography. There are tropical and sub-tropical areas, wonderful views of glaciers and snow-capped mountains, mountain lakes with transparent and blue waters, rare birds and animals and flowers, scenic spots of various minority nationalities with their own traditions and habits, historical sites of the Nanzhao regime of ancient China in Dali and pictographic cultures in Dongba of the Lijiang River. In short, the province abounds in tourist resources and is in a position to attract a great many tourists from other parts of the country as well as from other countries to promote economic and cultural exchanges with other provinces and other countries. But what is more important is that we can raise funds by developing tourism. Some comrades predicted that once the five tourist regions [word indistinct] more than 100 million yuan. In exploiting tourist resources, it is not necessary for the province to make big investments and build high buildings. Success can be achieved in the provincial tourist industry

by relying on the features of minority nationality regions and other regions. Investment in this industry will bring quick returns, with small capital investment making big profits. Tourism is a "smokeless industry" without pollution, and to promote tourism is a measure with instant results that will add wealth to the province. At present, the problem of transportation has hindered the development of tourism in the province. It is easier to solve transportation problems in tourism than transportation problems in industry and there are a number of experiences in this area both at home and abroad. Efforts must be made to develop tourism during the period of the Sixth 5-Year Plan and make tourism one of the economic props of the province in the next 3-5 years.

Study must also be made on how to develop trading in border areas.

Overcome Disadvantages and Realize Advantages

Although there are a number of advantages in the province, there are also a number of disadvantages. The advantages can be displayed only if we are able to overcome disadvantages. There are five main disadvantages that have to be seriously studied and solved.

The first problem is grain. The province has relied on the grain imported from other places over the past 6 years and this situation has become a factor hindering the development of the province. To solve the grain problems we must mainly rely on increasing per-unit output, concentrate our efforts in developing the farmlands with medium output, consolidate those with high output and gradually transform those with low output. At the same time, efforts must also be made to increase grain production on the basis of giving priority to developing forestry, simultaneously carrying out grain production, animal husbandry production and oil-bearing crops and to gradually developing large-scale agriculture. Yunnan Province is a famous "botanical kingdom," "kingdom of animals" and a "land of medical herbs," with fertile soil and abundant agricultural crops. These situations are mainly formed by advantages in forestry and ecological environment. But if forestry resources are damaged, there will be water and soil erosion, the soil will become poor and the ecological environment will be spoiled and under this condition, such features as "botanical kingdom," the "kingdom of animals" and the "land of medical herbs" will no longer exist and grain production will be directly affected. Therefore, it is imperative to protect the ecological environment.

The second problem is funds. Shortage of funds is another factor that has hindered the development of the province. The province needs an enormous amount of funds for developing transportation facilities, exploiting nonferrous ores, phosphorus ores and water energy resources. Therefore, in addition to seeking state investment, the province must spare no efforts to raise funds and carry out joint venture undertakings with other provinces and municipalities and jointly exploit resources with profits rationally distributed among them. The province may also import capital in a planned way.

the third problem is transportation. The biggest disadvantage of the province is transportation, which has affected the development of the whole economy and society. When efforts are made to have state investment in the building of the Kunming-Nanning and Guangtong-Xiaguan-Shigu railways, the province must at the same time use various forms to develop various transportation facilities and simultaneously develop water, land and air transportation. Some comrades suggested developing hovercrafts that can be used in currents, shallow rivers and other rocky waterways and this measure is expected to increase navigation mileage by more than 3,000 kilometers. In addition, narrow-gauge railways may also be built because they require small investment, their projects can be quickly carried out and they accord with the provincial topography. More heavy-duty trucks must be used to carry more goods and save energy; horses and oxen must be used in carrying goods to hilly areas and overhead cableways must also be built to promote air transportation. In short, it is feasible for the province to improve transportation by using modern and indigenous methods and building various forms of transportation facilities. It is urgent for the province to build a comprehensive research organization to study and solve the transportation problem.

The fourth problem is about science and culture. This problem also represents a major disadvantage of the province. When measures are taken to strengthen mental exploitation, increase investment in science, education, literature and hygiene and strengthen training of workers and staff, it is also important to develop joint ventures and coordination with other provinces so as to change the province's backward scientific technology and economic management. At present it is imperative to pay attention to and use well the existing scientific and technical forces, fully display the roles of scientists and technicians and organize various branches of learning to coordinate in solving key problems. Certain policies must be defined to encourage scientists and technicians to work in border, minority nationality and backward regions.

The fifth problem is population. The province's natural population growth is rather high, about 14 percent. Strong measures must be taken, in particular in rural and minority nationality regions, to gradually reduce the population growth rate.

ECONOMIC PLANNING

SHANXI ON ROLE OF INDUSTRY IN THREE-FOLD INCREASE

SK081040 Taiyuan SHANXI RIBAO in Chinese 15 Nov 82 p 3

[Article by Liu Zhengzhi [0491 2973 0037], director of the provincial economic commission: "The Important Role of Our Province's Industry in the Three-fold Increase"]

[Excerpt] Over the past three decades and more since PRC's founding, our province has made great progress in industry. By 1981, we had established 9,540 industrial enterprises which were staffed with 3.18 million staff members and workers and owned 16 million yuan of fixed assets. Our 1980 industrial output value was 55 times that of 1949 and, in gross industrial and agricultural output value, increased from 14.2 percent in 1949 to about 70 percent. The situation in which industrial increases are greater than agricultural increases will continue for many years. As the foundation of the national economy, agriculture is certainly a very important part of the economy and should be promoted. However, the fulfillment of the target of quadrupling our industrial and agricultural output value in 20 years will, to a great extent, be decided by the great increase in industrial output value.

Of course, to quadruple the industrial and agricultural output value in 20 years is a general national target. The targets for various provinces and autonomous regions will inevitably be more or less different. This means that in most provinces and regions the industrial and agricultural output value will be quadrupled or better while in others the industrial and agricultural output value will not be quadrupled for various reasons. Such a situation is normal. To be more specific, what should Shanxi's tempo of advance be? Proceeding from reality, the provincial CPC committee has explicitly set forth a target of resolutely quadrupling our industrial and agricultural output value by the end of this century, that is, from 16.9 billion yuan in 1980 to 68 billion yuan in 2000. Since our industrial output value amounts to more than 70 percent of the gross industrial and agricultural output value and industrial development is evidently faster than agricultural development, it is not difficult to see that 70 to 80 percent of the 3-fold increase is to be shouldered by industry. We should and are able to fulfill this glorious and yet arduous historical task.

Although this task is very arduous, and although we are bound to meet with numerous difficulties and obstacles in the long 20 years, the goal is totally attainable in view of our potential and favorable conditions in various fields

following the gradual elimination of the leftist guiding ideology in economic work, the implementation of party principles and policies and the proper handling of historical problems, the focus of our province's work has shifted to economic construction in a timely manner. In addition, the 12th CPC Congress made overall arrangements in various fields for the fulfillment of this fighting goal in order to bring, within a fairly short period of time, the work of various fields into the correct orbit of promoting the economy. Our province has rich coal, iron, aluminum, copper and other mineral resources and a substantial heavy chemical industry foundation. In particular, our superiority in coal energy is unique. Proven coal reserves account for one-third of the country's reserves. So far, our province has built some 2,900 large, medium-sized and small coal mines which can produce 130 million tons, 50 times our 1949 figure and 20 percent of the state's raw coal output. The production capacity of our heavy industry, such as machinery, chemical, military, power and metallurgical industries, occupies an important position in the country. Our light and textile industries have also achieved fairly great progress after several years of readjustment. Accompanying the utilization of new equipment, the introduction of new technology and the construction of new projects will be an increasingly enhanced production capacity. All these constitute an important material foundation for promoting our industrial economy and achieving a three-fold increase in industrial and agricultural output value.

At present, the production techniques of our existing industrial enterprises lag behind those of other advanced provinces and municipalities. The overwhelming majority of our techniques and equipment are of the standards of the 1950s, the 1960s or even the 1940s or 1930s. Provided we make the best use of our superiority in coal, iron and steel, copper and aluminum, strengthen technical and economic cooperation with other provinces and municipalities, pay close attention to technical training and intelligence exploitation, and accelerate the technical transformation of existing enterprises to renew techniques and equipment, the production capacity and economic results of a great number of industrial and mining enterprises will be greatly improved, the consumption of energy and raw materials will be tremendously reduced and a new situation will develop in which industrial production overall will be lively and the production cycle will be good.

As long as we are not afraid of difficulties, as long as we are good at exploring with our diligent labor and wisdom, our goal is totally attainable.

ECONOMIC PLANNING

YUNNAN CONGRESS DEPUTIES DISCUSS SIXTH 5-YEAR PLAN

HK090650 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 8 Dec 82

[Text] According to XINHUA reports, the Yunnan provincial delegation attending the Fifth Session of the Fifth NPC held a series of group meetings to consider the report delivered by Premier Zhao Ziyang on the Sixth 5-Year Plan.

The deputies held that the report has fully affirmed a series of party principles and policies formulated since the 3d Plenary Session of the 11th CPC Central Committee and has reflected in concrete terms the requirements of the strategic objectives, priorities and steps defined by the 12th Party Congress. The tasks have been clearly defined, the main points have been stressed and the measures are vigorous. All the deputies had full confidence in fulfilling the Sixth 5-Year Plan.

An Pingsheng said: The Sixth 5-Year Plan is the first 5-year plan for quadrupling the gross annual value of industrial and agricultural production by the end of this century. Viewed from the implementation of the first 2 years of the Sixth 5-Year Plan in Yunnan Province, the annual growth rates of industrial and agricultural production have exceeded the average annual growth rate of the Sixth 5-Year Plan. In 1980, the output value of industrial and agricultural production in Yunnan Province topped the highest level in history. In 1981, however, an increase of 8.1 percent was registered over 1980. This year, an estimated increase of 9.95 percent is to be registered over 1981. The economic results have also increased to some extent year after year. An Pingsheng hoped that, in the 3 years to come, the cadres and masses throughout the province will, in accordance with the guidelines of Zhao Ziyang's report, study diligently, work in a down-to-earth manner, proceed in an orderly way and fulfill the Sixth 5-Year Plan in an all-round way in order to lay a good foundation for attaining the [word indistinct] strategic objective of the national economy by the end of this century.

(Zhao Tinggong) said: When talking about China's rural situation, Premier Zhao Ziyang pointed out that what is especially encouraging is that many localities where agricultural production was relatively backward have speedily transformed their outlook over large areas in 1-2 or 2-3 years--a phenomenon rarely seen since the founding of the PRC. This appraisal is quite correct and it conforms with the actual situation in the Wenshan Zhuang and Miao Autonomous Prefecture.

In the past, agricultural production was backward in Wenshan Prefecture and the economy in the area inhabited by the minority nationalities was underdeveloped. Since the 3d Plenary Session of the 11th CPC Central Committee, the production responsibility system of signing contracts in an all-round way has been practiced and production has developed year after year. In 1981, grain output in the whole prefecture amounted to more than 1.23 billion jin. The problem of feeding the people has been solved. This year, although our prefecture has suffered from a serious plague of insects rarely seen in the past 30 years, we have managed to reap a good harvest in agriculture and diversified undertakings have greatly developed. Seeing such an excellent situation, the broad masses of peasants feel very pleased. They have more faith in the party and government.

Referring to the fact that both the new constitution and Premier Zhao Xiyang's report have placed the development of educational, scientific and cultural undertakings in an important position, (Wu Yinghuai), (Zhu Dexing) and (Du Yanqing) held that this constitutes not only an important condition for ensuring the building of modern material civilization but also an important part for stepping up the building of socialist spiritual civilization. They talked about the fact that education, science, technology and culture are relatively backward in the areas inhabited by the minority nationalities. In order to develop educational work in the areas inhabited by the minority nationalities, it is hoped that the state will adopt special measures and encourage and support teachers and scientific and technical personnel to work in the border areas.

(Lin Yanpi), (Wu Zhengyi) and (Li Rongmeng) aired their views on the exploitation and utilization of energy resources in light of the actual conditions in Yunnan. (Li Yanpi) said that water resources constitute one of the 10 favorable conditions of Yunnan Province. Developing hydroelectric power stations is a good way of solving energy shortage in our province and our country. The middle reaches of the Lancangjiang River provides a good place for exploiting energy resources in Yunnan Province. The Manwan Hydroelectric Power Station project is one of them. Once this power station has been built, its electricity production may reach 5.5 billion kwh, only 0.1 billion kwh less than the total electricity production in the whole province last year. If some multilevel power stations are added, the electricity production may reach 7 billion kwh. Thus, not only will it be possible to solve the problem of energy consumption in both production and daily life in Yunnan, it will also be possible to support nearby provinces in their construction. Therefore, it is hoped that this project will be listed in the state plan as soon as possible so that by 1996 it will go into operation and produce the desired result.

ECONOMIC PLANNING

QINGHAI CONGRESS DEPUTIES DISCUSS 5-YEAR PLAN

HK070929 Xining Qinghai Provincial Service in Mandarin 1100 GMT 6 Dec 82

[Text] According to XINHUA reports, the Qinghai provincial delegation attending the Fifth Session of the Fifth NPC conscientiously examined the Sixth 5-Year Plan. They spoke glowingly of the current economic situation and discussed the question of how to create a new situation in Qinghai's socialist modernization.

Zhaxi Wangqug, chairman of the provincial people's congress standing committee, said: After studies, I think there are five special features in the Sixth 5-Year Plan: 1) stress has been laid upon improving economic effects; 2) prominence has been given to strategic priorities; 3) the principle of readjustment, restructuring, consolidation and improvement has been implemented; 4) simultaneous attention has been paid to the building of material and spiritual civilization; and 5) the strong measures to be taken have been expressed in specific terms and strict demands have been set. He expressed his conviction that the Sixth 5-Year Plan would certainly be fulfilled through our efforts so as to lay a solid foundation for attaining the objective of quadrupling the output value.

When talking about the current, excellent economic situation, the deputies said that due to the good policy of the party, the rural areas are now thriving and flourishing. In Qinghai, for example, some poor production teams, which used to eat resold grain, have basically solved the problem of food and clothing. Last year a peasant named (Ma Shanma) in Hualong Hui Autonomous County sold 10,000 jin of grain to the state. This year in two communes of Hualong and Minhe Counties alone, 37 peasants have sold 10,000 jin of grain each. In Minhe and Huangzhong Counties, each of the 9 enterprises run by communes has an income of more than 1 million yuan. Elatedly pointing to the Shanghai brand watches on their wrists, (Qiao Shengcun) and (Bai Yunyou), two deputies from the Huzhu Tu Autonomous County and Ledu County, said: In the rural areas, many people are wearing this brand of watch. Quite a few people are wearing Titoni or Roma brand watches. In the past it was really terrific for some peasant households to have bicycles, sewing machines and wristwatches. In recent years, however, many peasant households have added radios and walking tractors to the three articles mentioned above.

How to create a new situation in Qinghai's socialist modernization is an important subject which the deputies discussed when examining the Sixth 5-Year Plan. Zhaxi Wangqug, (Han Fucal), (Jiarong Daduo) and other deputies said: Qinghai has three strong points: 1) Prospects are bright for the production of animal husbandry in Qinghai. There are 500 million mu of grassland, which can be utilized for raising more than 20 million domestic animals. This will provide ample funds and raw material for the development of industry in Qinghai. 2) Qinghai has inexhaustible energy resources. Situated in the upper reaches of the Huang He, Qinghai is rich in water resources. From Longyang Gorge to Jishi Gorge there are six places suitable for building power stations. They will provide ample energy resources for Qinghai's economic construction. 3) Qinghai is rich in mineral resources. The deposits of more than 30 mineral resources in Qinghai occupy important positions in our country. The deposit of salt, in particular, amounts to tens of billions of tons. The deposits of sylvite, lead and zinc are also extensive. These mineral resources constitute a very good condition for the development of Qinghai's industry.

They said: In creating a new situation in Qinghai's economic construction, it is necessary to note that the work is gigantic and the tasks are arduous. It is necessary to further emancipate the mind, enhance revolutionary vigor, step up investigation and study and pay attention to weak links so that our objectives, plans and measures are placed on a realistic and reliable basis.

ECONOMIC PLANNING

SHANXI DEPUTIES DISCUSS REPORT ON 5-YEAR PLAN

HK080949 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 7 Dec 82.

[Text] When discussing Premier Zhao Ziyang's report on the Sixth 5-Year Plan, Shanxi deputies to the Fifth Session of the Fifth NPC said that the future of the Chinese people is bright and full of hope. They are determined to make greater efforts to strive for the fulfillment of the Sixth 5-Year Plan. The deputies were enthusiastic and active at the group discussions held in the past few days. They unanimously agreed that the targets of the Sixth 5-Year Plan and the measures to carry out this plan, which was put forth by Premier Zhao Ziyang, are realistic and reliable. They are greatly inspired by this and have more confidence.

Deputy (Huo Shilian) said that the targets put forth by Premier Zhao Ziyang in his report can surely be realized if efforts are made. Judging from Shanxi's situation, agricultural production has rapidly developed since adopting the responsibility system. The total grain output this year exceeds that of last year by 2.04 billion jin. Cotton has increased by 40.7 percent and oil crops, 37.5 percent. The total agricultural output value has increased by more than 16 percent. The number of counties in which per capita collective income is over 100 yuan has increased from 22 last year to 57 this year. At present, the responsibility system is just in the ascendant. Provided we steadily and firmly implement the party's policies and principles mapped out since the 3d Plenary Session of the 11th CPC Central Committee, the agricultural situation will surely become better and better. There is also great potential in industrial production. This year, the total industrial output value is expected to reach about 13 billion yuan, an increase of more than 11 percent over the past year. Through readjustment, light industry has continuously and steadily developed and heavy industry has begun to rise. The superiority in coal production, in particular, has further been brought into play. In Shanxi Province, there are rich reserves of coal, which is full of variety, good in quality and easy to mine. Over the past 3 years or so, coal output has increased by an average of 10 million tons a year. Thus, it is entirely possible by 1985 to fulfill the state plan which requires the production of 155 million tons of coal in this province. Now, efforts are being made to solve the problem of transportation. When it is solved, coal production will certainly be accelerated. Deputy (Ruan Bozhen) said that it is a very important matter that Premier Zhao Ziyang had emphasized giving priority to the increase of economic returns. We must always bear in mind the negative lesson of blindly increasing investment regardless of the material

and financial resources of our country. We must increase economic returns through technological reform and tapping potentials of the existing enterprises. Agricultural production must be developed at a more accelerated pace. This year, the agricultural situation in Shanxi is quite good. It is the best in history. However, state grain subsidies are still needed in this province. We cannot build energy bases on the basis of allotting grain. So, such subsidies should be gradually reduced. We must further emancipate our minds and further develop and perfect the responsibility system. Now that large numbers of specialized households have emerged, we must actively support them in various aspects, such as science, technology and commodity circulation.

Deputies (Wang Jiujin), Kang Yonghe, Zhou Dongye and Jiang Shiyang) said that they all agree with Premier Zhao Ziyang that the increase of economic returns should be given first priority in the Sixth 5-Year Plan. (Wang Jiujin) said that without economic returns, there will be no speed. In economic construction, the increase of economic returns should be put in the first place. In readjusting and reorganizing enterprises, we must take a firm and resolute attitude. Those which must be closed, merged and ceased or changed production should be unhesitatingly dealt with accordingly. (Kang Yonghe) said that in order to increase economic returns, we must also do a good job in solving the problems in the payment system. Payment for labor is the most important economic lever. It is necessary to change the wage system which disregards economic returns and is characterized by everyone eating out of the same big pot. The system of linking wages to economic returns and work efficiency, that is, the system of linking remuneration to output, must be encouraged. The more economic returns are achieved, the higher the wages should be.

Many deputies, especially those from the scientific and technological circles, have made positive suggestions on the building of coal energy bases in Shanxi. Deputy (Qian Yiqi) suggested: 1) to improve the arrangements of coal exploitation so that the outputs of coking coal, anthracite and power coal can better suit needs. 2) to develop coal processing industry and make multiple use of coal so that the useful chemical products and heat energy can be fully recovered and used. 3) to seek more financial sources so that the mines can be run through various channels, such as state investment, local financial allocation, cooperation with other cities and provinces, using foreign investment and so forth. 4) to speed up construction of the coal transport network. 5) to raise the level of automation and mechanization. 6) to speed up the construction of the contingent of exploration and design staff and workers. 7) to actively train scientific and technological workers and raise the technological, operation and management level of the staff and workers. 8) to solve the problem of the lack of water sources in Shanxi Province.

Deputies (Zhang Jiafu, Zhao Lizhi, Shi Huaide, Cao Shubin, Wang Zutong, Zhao Yuting) and others pointed out that in order to exploit coal in Shanxi, it is necessary to solve the problem of water sources. The fundamental way is to divert water from the Huanghe River into Shanxi. Thus, early preparations must be made to lay good foundations for starting the projects in the future. (Zhao Yuting) said that attention should also be paid to protecting water sources and controlling pollution. A deadline must be drawn for completely controlling and eliminating pollution.

ECONOMIC PLANNING

GUANGDONG NPC DEPUTIES DISCUSS SIXTH 5-YEAR PLAN

HK080727 Guangzhou Guangdong Provincial Service in Mandarin 2350 GMT 7 Dec 82

[Text] The Guangdong delegation to the Fifth Session of the Fifth NPC has discussed in the past few days Premier Zhao Ziyang's report on the Sixth 5-Year Plan. During the discussion, the deputies took the floor one after another. They said: Premier Zhao Ziyang's report has summed up the historical experience in China's economic construction and is in conformity with China's national conditions. He has put forth clear targets and effective measures to attain them. Many deputies also made comments and suggestions on how to fulfill the Sixth 5-Year Plan.

Deputy Liu Tianfu said: In the report, Premier Zhao Ziyang put forth important principles such as maintaining an appropriate speed of development in industrial and agricultural output while ensuring an increase of economic returns, controlling the scale of capital construction, and guaranteeing technical transformation of key projects and electricity and petroleum enterprises. All this has summed up China's experience in economic construction in the past 30-odd years. In light of Guangdong's conditions, Liu Tianfu stressed the following aspects of work in fulfilling the Sixth 5-Year Plan.

1. We must continue to maintain a political situation of stability and unity, and the continuity and stability of a series of correct principles and policies formulated since the 3d Plenary Session of the 11th CPC Central Committee.
2. We must continue to reduce restrictions in policies in order to enliven the economy.
3. We must continue to expand economic and technical exchanges with foreign countries and actively introduce advanced technology, experience in management and necessary funds for construction.
4. We must pay attention to training capable persons and using them rationally.
5. We must step up development in energy supply and transportation.

Deputy Liang Lingguang said: An important measure in realizing the Sixth 5-Year Plan in an overall way is to speed up progress in economic structural reforms. In restructuring the economy, we must give full play to the role of key cities. We must correctly handle relations between horizontal and vertical management.

ECONOMIC PLANNING

SICHUAN NPC DEPUTIES DISCUSS SIXTH 5-YEAR PLAN

HK100306 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 9 Dec 82

[Text] According to XINHUA, the Sichuan deputies attending the 5th Session of the 5th NPC have been in high spirits in putting forward schemes while holding panel discussions on Premier Zhao Ziyang's report on the Sixth 5-Year Plan. They have discussed specific ways and means of implementing this plan.

Deputy Meng Dongbo said: The key to fulfilling the Sixth 5-Year Plan lies in improving economic returns in an all-round way. In connection with the actual conditions in Sichuan, we should mainly concentrate on the following points: 1) carry out all-round straightening out of the existing enterprises, tackle the problems in a comprehensive way, and perfect the economic responsibility systems linking responsibilities, rights and interests, so as to improve management standards; 2) in connection with restructuring the enterprises, be resolved to close, suspend, merge or convert a number of enterprises with very poor economic returns; 3) speed up the pace of reorganization and formation of joint undertakings; 4) actively stimulate the progress of science and technology; 5) actively and steadily speed up the progress of reform of systems.

Deputies Li Linzhi, Feng Zhenwu and (Gao Weilong) proposed: To accomplish the task of raising total agricultural output value by an annual 4 to 5 percent during the Sixth 5-Year Plan, Sichuan must increase its agricultural output value by over 1 billion yuan a year. To achieve this aim, we must act as follows: 1) while continuing to grasp grain production, develop diversification and promote stockbreeding, forestry and sideline occupations of all types; 2) actively develop specialized and socialized production management forms that are mainly small and specialized; 3) continually perfect and develop the various types of responsibility systems such as assigning responsibility contracts to each household, fixing output quotas for each household, and organizing specialized and key households, and also promote economic combines, commune and brigade enterprises, agriculture-industry-commerce joint enterprises, agricultural-commercial contracts, and agrotechnology responsibility systems. All these have been developed by the peasants in practice under party leadership since the Third Plenary Session. We must continue to follow this path.

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ECONOMIC PLANNING

YUNNAN'S LIU MINGHUI ON SIXTH 5-YEAR PLAN

HK080749 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 7 Dec 82

[Text] According to XINHUA, Liu Minghui, an NPC deputy and governor of Yunnan Province, said at a group meeting on examining Premier Zhao Ziyang's report on the Sixth 5-Year Plan: Targets specified in the Sixth 5-Year Plan are both encouraging and practical. This plan also gives prominence to key projects. It is necessary to firmly uphold the overall viewpoint of taking into account the country's construction as a whole in order to guarantee the accomplishment of the key projects and correctly handle the relationship between overall and partial interests. People in border areas inhabited mainly by minority nationalities where the economy is less developed should also strive to score some achievements and contribute their efforts to the all-round fulfillment of the Sixth 5-Year Plan.

Liu Mingui said: Without giving prominence to certain key points, the policy will be untenable. Stress cannot be placed everywhere as then, no prominence would be given to those real key points. In order to guarantee the steady development of the national economy as a whole, it is imperative to concentrate our limited funds on the most urgent and most profitable projects. If our country's financial and material resources and technological strength are utilized in an unduly decentralized way, we will succeed in nothing. If everyone tries to develop as fast as others, the result will be failure to all. Although there are not only key development projects located in our Yunnan Province, guaranteeing their smooth construction will also benefit our Yunnan Province, because these projects are in the overall interests and will benefit the state. As long as our national economy develops, things in Yunnan will also be made easier.

He said: The first of the four principles specified by the 12th Party Congress for bringing about an all-round upsurge of the socialist economy is to concentrate funds on key development projects and continue to improve the people's living standards. According to this principle, in the period of the Sixth 5-Year Plan, we must resolutely implement the series of measures laid down by the state for concentrating construction funds, such as the issuance of national treasury bonds and the collection of funds for key energy and transport projects. We should guarantee the fulfillment of our assignments. We should subordinate our work to the needs of the state plan's key points and the overall interest.

Liu Minghui added: This does not mean that it is impossible to achieve considerable development in Yunnan's economic construction. He said: Our province has fairly favorable natural conditions and great potential for developing agricultural production, especially diversified occupations. We have had a certain industrial foundation and great potential for increasing industrial production. In Yunnan, there exist some construction projects invested in by the state and in particular, we can concentrate a certain amount of funds raised from localities on dealing with the province's key projects. Therefore, it is completely possible to score major achievements in our province's economic development and particularly in shifting all economic work onto the track of improving economic results.

Liu Minghui said: The party's line, principles and policies followed since the 3d Plenary Session of the 11th CPC Central Committee have aroused the initiative of the people of all nationalities in socialist construction. Gratifying changes have also occurred in the political and economic situation of our province. Over the past 2 years, the problem of feeding the population of over 10 million in poor mountainous and semi-mountainous areas has basically been solved and people's clothing has also improved. It was suggested in 1969 that Yunnan's total grain output could reach 18 billion jin, but this goal was not attained in the 10 years that followed. It was in 1979, the year after the convening of the 3d Plenary Session of the 11th CPC Central Committee, that Yunnan's grain output reached an unprecedented height. Since then, grain output continued to increase every year and it reached 18.34 billion jin last year. Grain output this year is expected to increase again despite serious natural disasters. Peasants' incomes have increased and their living standards have improved day by day. The unity of all nationalities has also been strengthened. At the same time, the growth rates of total annual output value of industrial and agricultural production in Yunnan in the last 2 years have exceeded the rate stipulated by the Sixth 5-Year Plan. A part of this plan has been fulfilled. Inspired by the spirit of the 12th Party Congress, people of all nationalities in Yunnan are confident and determined to fulfill and overfulfill the Sixth 5-Year Plan. The people of all nationalities in the border areas of Yunnan Province are determined to work in a diligent and down-to-earth way and to actively make their contributions to the fulfillment of the state's Sixth 5-Year Plan.

CSO: 4006/147

ECONOMIC PLANNING

HENAN NPC DELEGATION DISCUSSES SIXTH 5-YEAR PLAN

HK081500 Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 7 Dec 82

[Text] Over the past few days, the Henan delegation which is attending the Fifth Session of the Fifth NPC has conducted group discussions on the report by Premier Zhao Ziyang on the Sixth 5-Year Plan. The deputies have unanimously held that the Sixth 5-Year Plan is a plan which steadily develops along the course of readjustment, further pushes our country's modernization forward and enables the people to continue to improve their livelihood. After this plan is passed, our objective of struggle will be more defined and the people throughout the country will be encouraged to strive to create a new situation in socialist modernization.

Zhao Wenfu, deputy, said: The whole Sixth 5-Year Plan is imbued with the spirit of seeking truth from facts, being positive and reliable and allowing for unforeseen circumstances. After efforts are made, the plan can be carried out. As in the whole country, the situation in carrying out the plan for the national economy in our Henan over the past 2 years has been good and the whole economy has developed steadily. The total industrial and agricultural output value of the whole province in 1981 was 7.5 percent more than in 1980. It is estimated that the total industrial output value in 1982 is likely to be 6 percent more than in 1981. Despite serious natural disasters, agricultural production is still on the increase. In particular, total output of summer grain this year is the highest of any previous year. In finance, a balance between income and expenditures has been achieved with a slight surplus. What is more gratifying, rural areas have implemented the party's economic policy.

Since the responsibility system of linking remuneration to output according to contracts was implemented, a prosperous and excellent situation has emerged. Many places will quickly change their poor outlook in 1 to 2 years and specialized households, key households and new economic combined undertakings will spring up like bamboo shoots after a spring rain. This vigorously promotes the development of the production of rural commodities and the prosperity of the rural economy. Such a good economic situation will lay down a solid foundation for the successful fulfillment of the Sixth 5-Year Plan.

He said: In the course of carrying out the Sixth 5-Year Plan, Henan shoulders an important task. We must go all out to make the country strong, rouse ourselves for vigorous efforts to make the country prosperous and do our work well in all aspects. First, we must bring all items of economic work into line with the work of raising economic returns and strive to make a new breakthrough in

economic returns. We must further do well in readjusting and straightening out enterprises. In particular, we must straighten out 36 large enterprises, each of which pays a tax of some 10 million yuan per year. Moreover, we must vigorously strengthen enterprises' technical transformation, raise their management level, tap the potential of existing enterprises and strive to increase production and income. Second, we must establish a concept of the overall situation and guarantee the building of key projects, such as energy resources and communications. In the Sixth 5-Year Plan, the (Yuxi) coal field, and power plant and Puyang oil field in our Henan are included in the state key projects. We must be determined, mobilize the forces of all quarters and, in coordination with relevant departments of the central authorities, embark on the building of these key projects as quickly as possible. Third, we must endeavor to change the backward outlook of the educational, scientific and cultural causes. In the principle of unified planning with due consideration for all concerned, we must properly increase some investments in this aspect where financial resources permit. We must further implement the policy on intellectuals, strengthen the building of the scientific and technological forces and bring their enthusiasm into full play. Fourth, we must further eliminate leftist ideology and continue to boldly reform the economic system. Furthermore, in compliance with the central arrangements, we must do well in systematically reforming the administrative organs.

(Zhao Yi), deputy, said: To do well in technical transformation in enterprises, we must first proceed from the existing foundation of the enterprises and, in light of the specific conditions, formulate specific and feasible plans. We must bring their characteristics and advantages into full play. Second, we must readjust technical transformation and the product mix of the enterprise. We must proceed from the urgent needs of the market. We must have in mind not only the domestic market but also the international market. Third, we must emphasize improving technology to the world level and rely on our efforts.

(Li Zifan), deputy, said: In the Sixth 5-Year Plan, it is extremely correct to grasp energy resources and communications as a key point. Puyang oilfield in Henan is a newly-discovered oil field and its quality is relatively good. The Ministry of Petroleum Industry is organizing a battle there. We must do our best to guarantee the successful building of this key project.

(He Daiwen), deputy, said: Henan must speed up the exploitation and utilization of coal. At present, it is essential to solve the following problems: We must change manual operation into mechanized operation. We must also strengthen production safety. We must change the production of a single product into diversification and do well in multipurpose use. We must turn waste materials into valuable materials. We must solve the transport problems.

CSO: 4006/147

ECONOMIC PLANNING

GUANGXI DEPUTY DISCUSSES SIXTH 5-YEAR PLAN

HK090700 Nanning Guangxi Regional Service in Mandarin 1130 GMT 7 Dec 82

[Text] According to XINHUA, Qiao Xiaoguang, an NPC deputy, said at a group meeting of the current session of the 5th NPC: Our country's Sixth 5-Year Plan for developing the national economy is an action program for realizing the strategic objective set forth by the 12th Party Congress. Premier Zhao Ziyang's report is both encouraging and practical.

He said: According to the Sixth 5-Year Plan and the general strategic objective of quadrupling our country's total annual output value of industry and agriculture by the end of this century, Guangxi Zhuang Nationality Autonomous Region recently worked out its own plans for developing the economy with terms of 5 years, 10 years and 20 years.

Qiao Xiaoguang said: These plans were worked out according to Guangxi's economic development in the last 2 years. Guangxi's situation in the first 2 years of the Sixth 5-Year Plan was fairly good. This year, agriculture has reaped an all-round bumper harvest and grain output is expected to increase by 2.5 billion jin. Total output, per unit yield and margin of growth of this year are all the highest since the founding of the PRC. Compared with 1980, the total output value of industry and agriculture in 1982 is expected to increase by 14.3 percent, of which industrial output value increases by 13.4 percent, and agricultural output value by 15.5 percent.

After analyzing Guangxi's economic situation in the last 2 years, he said: Our guiding principles for working out plans are to emancipate our minds, to broaden our vision, to seek truth from facts and to work hard. By emancipating our minds it is meant that we should continue to smash those old conventions which obstruct our advance and should have the courage to carry out innovation and blaze new trails so as to open up a new prospect. By broadening our vision: we mean that our field of vision should be broadened so that we can see farther and broader. The principle of seeking truth from fact requires us to base our plans and objectives on our actual situation and they must be neither conservative nor prematurely advanced. By working hard we mean that we must boost our spirits and unswervingly struggle so as to score achievements. Guangxi's per capita output value of industry and agriculture still lags far behind the national level. Only by struggling hard can we narrow this gap.

Qiao Xiaoguang said: As the whole country will do, Guangxi will also take two steps in realizing the objective of 20 years, that is, divide it into the first and the second decades. We should link the plan for the first 5 years with the struggle objective of the 20 years. Our region's total industrial and agricultural output value in 1985 will increase by 30 percent against that in 1980, with an average annual growth rate of 5.5 percent. Of that, total industrial output value will grow by an average annual rate of 6 percent and total agricultural output value will grow by an average annual rate of 4.5 percent. Guangxi's 5-year plan and 20-year projection have their foundations: 1. Over the past 15 years, Guangxi has reached a similar growth rate. 2. Increase by a big margin in production can be achieved as long as technical transformation of existing enterprises is properly handled. 3. The increase in investment in fixed assets will speed up the development of industry and agriculture.

Finally, he said: In order to bring about an all-round upsurge of economy in Guangxi, it is necessary to continue to consolidate one foundation--grain; to grasp two mainstays--hydroelectric power and cane sugar; and give play to advantages in eight respects: cane sugar, hydroelectric power, nonferrous metal, building materials, local products, forestry, tourism, foreign trade and the utilization of foreign capital.

He said: At present, we should pay attention to the following points: 1. Raising funds through multiple channels. 2. Energetically developing procession of agricultural and sideline products and industries of comprehensive utilization. 3. Further enlivening the economy under state guidance. 4. Striving for a fundamental turn for the better in supplies in urban and mineral areas within 3 years. 5. Doing a good job in science, education and culture and treating them as strategic tasks.

CSO: 4006/147

AGGREGATE ECONOMIC DATA

'BEIJING REVIEW' CARRIES FIGURES ON PRC DEVELOPMENT

HK100733 Beijing BEIJING REVIEW in English No 49, 29 Nov 82 pp 17-19

["Facts and Figures" column: "National Economy: Major Targets"]

[Text] [Editor's note] Beginning January 1983, BEIJING REVIEW will run a "Facts and Figures" column at irregular intervals to help our readers in their understanding and study of China. Most of the data published in this column will be provided by the State Statistical Bureau with other information contributed from appropriate departments. The following is an example of what will be published in this new column. Please write us if you have any comments and suggestions. [end editor's note]

Absolute Figures

Table I on page 18 highlights China's economic development since the founding of the People's Republic in 1949. Each year listed was historically significant to China.

In 1952, which marked the end of three years of economic restoration following decades of revolutionary wars, the nation's industrial and agricultural production reached an all-time high.

By 1957, the last year of the First Five-Year Plan period, China had basically accomplished the socialist transformation of the means of production and established a number of basic industries, and the economy was growing in a well balanced way and yielding fairly good results.

The decade 1957-1966 witnessed tremendous achievements in all fields of socialist construction. However, the national economy encountered setbacks and difficulties as a result of the 1958 "big leap forward," followed by serious natural adversities and the unilateral tearing up of contracts by the Soviet Union. Hence, the nation's first economic readjustment period which ended in 1965, the eve of the "Cultural Revolution" (1966-76).

The Third Plenary Session of the 11th Party Central Committee, convened towards the end of 1978, repudiated "left" mistakes and decided to switch the emphasis of party and the state work to economic construction. The session marked a great historic turning point in China.

In Table I, the 1952 gross national industrial and agricultural output value was calculated according to the 1952 constant prices; that of 1957 and 1965, according to the 1957 constant prices; that of 1978, 1980 and 1981, according to the 1970 constant prices. The other figures were calculated according to the prices of the corresponding years.

The national income refers to net output value of the five departments of agriculture, industry, building industry, transport and communications and commerce.

Table I

<u>Items</u>	<u>Units</u>	<u>1952</u>	<u>1957</u>	<u>1965</u>	<u>1978</u>	<u>1980</u>	<u>1981</u>
Year end total population	million	574.82	646.53	725.38	958.09	982.55	996.22
Year-end total number of labourers	million	207.29	237.71	286.70	398.56	418.96	432.80
of this:							
number of workers and staff members	million	16.03	31.01	49.65	94.99	104.44	109.40
Gross national industrial and agricultural output value	million yuan	82,700	124,100	198,400	569,000	661,900	691,900
Total agricultural output value	million yuan	48,400	53,700	59,000	145,900	162,700	172,000
Total industrial output value	million yuan	34,300	70,400	139,400	423,100	499,200	519,900
Total light industrial output value	million yuan	22,100	37,400	70,300	180,600	234,400	267,500
Total heavy industrial output value	million yuan	12,200	33,000	69,100	242,500	264,800	252,400
National income	million yuan	58,900	90,800	138,700	301,000	366,000	388,000
Revenue	"	18,370	31,020	47,330	113,110	108,520	106,430
Expenditure	"	17,600	30,420	46,630	111,100	121,270	108,970
Total capital construction investment	million yuan	4,360	13,830	17,090	47,960	53,940	42,790
Volume of railway freight	ton-kilometers	60,200	134,600	269,800	534,500	571,700	571,200
Total volume of retail sales	million yuan	27,680	47,420	67,030	155,860	214,000	235,000
Total import and export volume (RMB)	million yuan	6,460	10,450	11,840	35,500	56,380	73,530
Total volume of imports	million yuan	3,750	5,000	5,530	18,740	29,140	36,770
Total volume of exports	million yuan	2,710	5,450	6,310	16,760	27,240	36,760

(provided by the State Statistical Bureau)

Indexes

Table II reflects the indexes for the yearly figures listed in Table I and the average annual rates of growth, with 1952 as 100.

Growth rates of the gross national industrial and agricultural output value and the national income were calculated according to comparable prices which exclude the factor of price fluctuations.

In China, there are two methods to calculate the average annual growth rate in a period. One is the traditional geometric averaging method, whereby the rate is calculated by averaging the difference between the base year and the last year of the period. The other is the algebraic averaging method. This means calculating the average annual growth rate by averaging the sum total of the growth of every year in the period in question compared with the base year. In ordinary cases, the two methods give more or less the same results. However, when there are fairly large fluctuations in the economic life, there will be big differences in the results obtained by the two methods. Table II uses the first method.

Table II

Items	1957	1965	1980	1981	Average annual percentage growth (1953-81)
Year-end total population	112.5	126.2	170.9	173.3	1.9
Year-end total number of labourers	114.7	138.3	202.1	208.8	2.6
Of this: number of workers and staff members	193.5	309.7	651.5	682.0	6.9
Gross national industrial and agricultural output value	167.8	268.3	906.0	946.8	8.1
Total agricultural output value	124.8	137.1	256.1	270.7	3.5
Total industrial output value	228.6	452.6	1,885.3	1,962.7	10.8
Total light industrial output value	183.2	344.5	1,256.2	1,433.3	9.6
Total heavy industrial output value	310.7	650.6	3,033.5	2,890.9	12.3
National income	153.0	197.5	510.1	525.4	5.9
Revenue	168.9	257.7	590.1	579.4	6.2
Expenditure	172.8	264.9	689.0	619.1	6.5
Total capital construction investment	317.2	392.0	1,238.3	991.4	8.2
Volume of railway freight	223.6	448.2	949.7	948.8	8.1
Total volume of retail sales	171.3	242.2	773.1	849.0	7.7
Total import and export volume	161.8	183.3	872.8	1,138.2	8.7
Total volume of imports	133.3	147.5	777.1	980.5	8.2
Total volume of exports	201.1	232.8	1,005.2	1,356.5	9.4

(provided by the State Statistical Bureau)

AGGREGATE ECONOMIC DATA

BRIEFS

HUBEI REVENUE QUOTA--This year, Hubei Province has reaped a bumper agricultural harvest, its industrial production has increased and its revenue is likely to reach 3.8 billion yuan--the objective of struggle--and is 150 million more than the quota of 3.65 billion yuan assigned to the province by the state. This information was obtained at the provincial conference on financial work, which concluded yesterday. Some 400 responsible comrades from financial departments at all levels of all prefectures, municipalities and counties attended the conference. Huang Zhizhen Provincial CPC Committee secretary and acting governor, [phrase indistinct] [HK081502 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 4 Dec 82 HK]

SHANDONG COUNTY INVESTMENT--Cangshan County, Shandong Province, had invested 11 million yuan in expanding production by the end of October 1982, twice that of the corresponding 1978 period. In addition to carrying out scientific activities, the county has also invested 1.3 million yuan in improving the facilities of primary schools. This year, Cangshan County has increased grain output by 120 million jin over 1981. The per capita distribution is expected to be 160 yuan, four times that of 1978. [SK230313 Jinan Shandong Provincial Service in Mandarin 2300 GMT 20 Nov 82 SK]

SHANDONG GRAIN, COTTON HARVESTS--Shandong Province's Ling County reaped rich grain and cotton harvests this year. Grain output reached 430 million jin, an increase of 43 percent over 1978, and cotton output reached 570,000 dan, 14 times the 1978 output. The per capita distribution to commune members in 1982 is 250 yuan, about 5 times that of 1978. This year, the county sold 52 million jin of grain to the state. [Jinan Shandong Provincial Service in Mandarin 2300 GMT 21 Nov 82 SK]

HEILONGJIANG INDUSTRIAL PRODUCTION--While upholding the principle of taking the planned economy as dominant with market mechanisms supplementary, Mudanjiang Municipality, Heilongjiang Province, has tried every possible means to raise the economic results of industrial production. By 12 November, the municipality had fulfilled 1.35 billion yuan of industrial output value, up 18.5 percent over the corresponding 1981 period. By the end of October, enterprises covered by the local budget gained profits of 43.68 million yuan, up 19.3 percent over the corresponding 1981 period. Meanwhile, these enterprises handed over 109.79 million yuan of taxes to the state, an increase of 19.1 percent over the corresponding 1981 period. In addition, the quality rate of products turned out by the province has reached 27.3 percent. [SK032359 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 30 Nov 82 SK]

ECONOMIC MANAGEMENT

REASONS FOR DECLINE IN PRODUCTIVITY EXPLAINED

Shanghai SHIJIE JINGJI DAobao in Chinese 11 Oct 82 p 9

[Article by Cao Gueisheng]2580 6311 3932] "Problems in Labor Management"]

[Text] At present, enterprise labor management work is not compatible with the need for increased economic benefits. Labor productivity is the principal indicator reflecting the economic efficiency of labor management. In Shanghai municipality, labor productivity in industries and enterprises declined by 1.6 percent in 1981 in comparison to 1980 - this requires serious attention. Specifically, the principal extant problems in labor management include:

Lack of Criteria for Number of People Employed by Enterprises

In enterprises, there is no definite calculation on which to base the number of people required for the amount of production work, causing upper level management departments to casually send people over to enterprises, and enterprises to blindly increase their staff. Also, within the enterprises, for each kind of personnel, department and workshop, there are no permanent people. When the workload increases, there is an increase in staff; when it subsides, there is a reluctance to reduce the staff. Consequently, there is a gradual increase in the kinds of work and positions created for workers. A job meant for three people is often assigned to four. There is a cotton textile factory whose actual employment level is counted among the advanced ranks among the trades. The textile enterprise carried out general reorganization and introduced fixed quotas for a fixed number of workers. Conducting a comparative analysis of the employment criteria issued by enterprise management, the enterprise discovered that the actual number of production workers exceeded the employment criteria by 1.7 percent. Based on calculations of the number of workers employed for jobs created in accordance with employment criteria and regulations, and eliminating the number of workers hired for self-created positions as a result of self-expansion, it was found that the number of needed employees could be less than the number established by employment criteria by 7.5 percent. As for self-created positions, investigation revealed that some were positions for people with nothing to do or were the result of over-specialization of labor, half of the workers in these positions could be eliminated.

Shortage of Front Line Production Personnel

At present, the front line is tight (production personnel), the second line is loose (auxiliary personnel), and the third line is bloated (administrative and management personnel). All enterprises generally experience shortages in some positions, particularly in production work positions involving toxins, dangers and hardships of hard and heavy labor, and alternating shifts, etc., such as we find in high temperature ceramics and transportation. In Shanghai municipality, statistics on industrial and business workers shows the percentage of each kind of worker and the total number of workers at the end of 1965 - production workers 77.9 percent, management personnel 7.9 percent, engineering and technical personnel 4.9 percent, service workers 6.6 percent. At the end of 1981, the percentage of each kind of worker and the total number of workers was: production workers 74 percent, management personnel 9 percent, engineering and technical personnel 4.2 percent, service workers 8.6 percent. Based on analysis of bicycle factories, in March of 1980, direct production workers comprised 52.5 percent of the entire factory staff. By June of 1981, the figure declined to 49 percent and, by last July, it again declined to 42.4 percent.

Lack of Proper Arrangements for Surplus Workers

Currently, all enterprises carry some surplus workers. Heavy industrial enterprises such as engineering and metallurgical industries carry relatively more surplus workers, whereas light industrial enterprises such as the textile industry carry relatively few surplus workers. Surplus workers generally fall into 3 categories: The first category includes workers of low educational or technical level who cannot meet the demands of production development work. The majority of these are new workers who entered the factories after 1978. The second category includes woman workers, who are somewhat more prominent in heavy industrial enterprises. Because they are promoted too soon, it is difficult to find appropriate positions for them, which dampens their enthusiasm. The third category of surplus workers are the old, feeble workers, who are incapable of assuming the same duties as physically fit workers, they should be given light work. Some of these workers have to work intermittently. At present, the majority of enterprises keep their surplus staff at their original posts.

Productivity and Man-Hour Utilization Rates Are Low

In Shanghai, all industrial enterprises generally have labor quotas. The problem lies in the incompleteness of quotas for manufactured goods. Old products all have quotas, whereas newly manufactured products do not. Workers who assemble manufactured goods do not necessarily have quotas. Quota revision work for old products is irregular and the quota level particularly low. Usually, quotas fixed for 8 hours of labor can be completed in 6 hours. Quota revision work also involves the amount of cash bonuses to be received by workers. In addition, worker man-hour utilization rate is low. As reflected in statistical charts, the worker man-hour utilization rate does not reach 85 percent. Analysis of certain shipyards has shown: absenteeism among workers exceeds 8 percent, work time taken by

management or auxiliary work is around 7 percent. In addition, work time accupied by other factors diverced from production work is around 12 percent. Thus, the actual man-hour utilization rate is in the neighborhood of 73 percent.

There are many reasons for the above problems, and they are all closely related to the political ideological work of the enterprises, the quality of the worker ranks, and the distribution of cash bonuses, as well as the organization and management of production work, etc.

9519

CSO: 4005/105

ECONOMIC MANAGEMENT

WORK IN ENTERPRISE CONSOLIDATION ENCOURAGED

Nanjing XINHUA RIBAO in Chinese 13 Oct 82 p 1

[Article by Yang Rongjie [2799 2837 2234]: "Over 800 Enterprises Have Entered the Phase of Systems Consolidation"]

[Text] This reporter learned that in our province, the first batch of 823 reorganized enterprises have now all entered the phase of systems consolidation after half a year of work.

In the past 6 months, these enterprises have carried out realistic overall reorganization according to the demands of the "Resolution on Implementing Overall Reorganization of State-run Industrial Enterprises" of the party Central Committee and the State Council based on the specific circumstances of each enterprise. Furthermore, positive results are beginning to appear.

Each area regarded strengthening their leadership in enterprise reorganization as the key point. As a result, leading groups in a majority of enterprises were reorganized and strengthened according to the needs of the cadres in the "four modernizations." As for the first lot of 56 reorganized enterprises in Wuxi, by the end of September, 53 enterprises had undergone reorganization of plant level leading groups. After plant level leading groups had been reorganized in the Wuxi Printing Plant, they promptly focused on consolidating the intermediate core and on reforming the management structure. A new atmosphere now prevails in these enterprises.

The first lot of reorganized enterprises all focused on proceeding from the reality of each plant and selecting the breakthrough point for reorganization. In general, enterprises that had a solid management foundation regarded study as primary and made every effort to give priority to the economic system of responsibility and to reform the system of enterprise management. Enterprises with an intermediate level of management launched activities to investigate and confer by means of emulating the advanced. They began by concentrating on basic work in management and set up and reorganized various management systems. Those enterprises with serious waste reorganized all forms of management by launching activities to oppose waste. Units with lax labor discipline first focused on strengthening labor discipline. After undergoing reorganization there were noticeable improvements in enterprise management and administration. The automobile transport

company in Nanjing Municipality did much work on revising their labor organization. They organized production by fixing the number of staff and quotas. They strengthened work in basic management. They not only increased transport efficiency, they also brought about gratifying changes in the mental attitudes of staff and workers. The whole company strived to ensure that the occupational morality of new people and new things continued. Unsound phenomena such as asking for food and goods from vendors and violating rules and regulations were reduced. During enterprise reorganization, Yangzhou Municipality conscientiously focused on implementing the economic responsibility system at every level. They tried to consolidate responsibilities, rights and benefits so that the level of enterprise management increased substantially.

While undergoing reorganization, many enterprises further rectified management concepts. They focused on product quality, increased variety and assortment and promoted the advancement of production. They obtained relatively good economic benefits. Xuzhou's 11 enterprises which are included among the key points underwent overall reorganization. Between January and August, except for one plant that had a reduction in output value and profits compared to last year due to the limited production and readjusted prices of synthetic fibers, the output value of the other 10 enterprises increased 23 percent over the same period last year. Paid-in profits doubled over the same period last year and far exceeded the growth rate of enterprises throughout the municipality.

Concerned leading departments in the province believe that the results achieved by the first lot of reorganized enterprises are remarkable. However, their development is uneven. Some regions, departments and enterprises do not have an adequate understanding of the major significance of overall reorganization. They do not stress the key points of reorganization. As for the so-called problems of "encountering obstacles" which are extremely difficult and strongly policy-oriented, progress has been quite slow. They still do not focus very much on these areas. It is necessary to sum up experiences, overcome shortcomings and focus on increasing economic benefits under the guidance of the spirit of the 12th National Party Congress. We must do good work on the "five items of work" and do even better work on reorganizing enterprises.

9864

CSO: 4006/090

ECONOMIC MANAGEMENT

ECONOMIC EFFECTIVENESS, ECONOMIC CONTRACT SYSTEM

Beijing CAIMAO JINGJI [FINANCE, TRADE AND ECONOMICS] in Chinese No 10,
15 Oct 82 pp 56-58

[Article by Du Yu [2629 4416]: "The Effectiveness of the Economic Contract System in Raising the Economic Benefits of Commerce"]

[Text] At the end of 1981, the Fourth Session of the Fifth National People's Congress deliberated, adopted and later promulgated and put into effect the "Economic Contract Law of the PRC," the first law on economic contracts since the establishment of our government. This law clearly prescribes that raising economic benefits is one of the major objectives of drawing up and enacting the economic contract law. It also makes detailed and systematic provisions to legally ensure that enterprises and society in general be urged to increase economic benefits by means of economic contracts.

The effectiveness of implementing the economic contract system (which in this context refers mainly to commodity procurement and marketing contracts and other contracts that concern commodity circulation) in raising economic benefits is mainly borne out by the following aspects:

1. Promoting Marketability of Products and Adaptation of Products to Social Needs

The outstanding special features of our present market situation is that consumers save money and delay purchases, that they show greater selectivity in their purchases of goods and that they demand high quality goods at low prices, greater variety in the assortments, new styles and appropriateness for timely application. The inconsistencies between the production and the marketing of a section of our manufactured goods seem to be gradually turning from quantity to quality, pricing, variety of designs and colors, assortments, specification,, time, etc. In the wake of larger production, greater diversification and increased incomes, the countryside still suffers from such problems as obstructed trade channels and insufficient supplies of manufactured goods, also over-stocking and stagnating sales of certain products and difficulties in selling certain agricultural and sideline products. This is one aspect; the other aspect is that in arranging economic plans, there is, to varying degrees, a trend to strive for speed, to lay stress on profits in output value, to disregard the needs of society that

have to be satisfied and to disregard the economic benefits to society. The production of certain products that are not suited for the market and prove unsaleable cause a widening of the discrepancy between the quantities of commodities that can be supplied and the social purchasing power, whereby the financial burden on the state and the economic losses are increased and damage is also done to the economic interests of the enterprises, the producers and the consumers. These two aspects urgently demand that we raise general awareness that for the benefit of adjusting the economic interests of all concerned we must endeavor as far as possible to have the products fit market requirements and accord with social needs. Using a system of economic contracts is a good method to solve this problem. The economic contract is a kind of written agreement concluded on the principle of equality and mutual benefit, of unanimity through consultation and of fair prices and remunerations, that clearly states the mutual obligations and rights between judicial persons for the purpose of realizing a certain economic objective. Both sides, supply and demand (purchaser and consumer), must determine clearly, definitely and in concrete terms at the time of signing the contract the quantity, quality, price, delivery time, also design and color, assortment, specifications, model, etc., of the goods and must furthermore include strict legal limitations and guarantees for the responsibilities undertaken. As the economic interests of both sides are involved, the parties must pay careful and thorough attention to all conditions covering the need and the capability, the use value of the object (e.g. the commodity) and to whether it conforms to the needs of the consumers. If there is a discrepancy between the need and the capability, if the commodity would not conform to the need, then both sides will under normal conditions refrain from signing the contract. This method will have the effect of equalizing price and use value, of encouraging production and business enterprises to initiate production and arrange supplies according to needs and have the commodities conform to market requirements and demands.

2. Increase the Planned Nature of Commodity Circulation

Our present work of market forecasting is extremely weak and the planning phase of procurements and marketing are also weak. There is no coordination between industry and commerce, between agriculture and commerce and in the internal economic relations of commercial operations. We must therefore earnestly improve our work of economic planning and increase its scientific quality. To achieve a high scientific quality in our economic planning, much work will still have to be done, and one item of such work must be to properly solve the problems of relating economic planning with economic contracting. We must regard economic contracting as a major basis and backbone in the realization of plan formulation and plan promotion, so as to render the directive and guiding qualities of the plans concrete and accurate and to achieve the fulfillment of the plans. We must submit the contracts to an examination, effect corrections and supplemental additions, to have them conform to the state of objective reality, and must on the whole bring all non-plan procurements and marketed commodities into line with the state plan, thus joining up planned economy with market regulation, combining the centralized unified control of economic activities in commodity circulation with decentralized flexible operations, and establish an integration of

plan and contracts. It is particularly necessary in our country with its huge rural area and 800 million rural population, largely working under a system of collective ownership, to coordinate state planning with the production and business activities of commune team enterprises, to have them form one organic and united entity. Concluding commodity procurement and marketing contracts, and their strict economic responsibilities, will also instill a greater sense of responsibility in enterprises, staff and workers, will spur them on to an earnest examination and study of production capacities, management conditions, consumption needs, etc., encourage a vigorous market forecasting, alertness to all market information and strengthen the planned nature, and avoid irrational behavior, in procurement and marketing activities. Only if we make a success of our economic planning and also take care simultaneously to make full use of the economic contract system, have our national economy develop in proper proportion and in a coordinated manner and organize our commodity circulation in a planned and rational way, can we reduce irrationalities in our management and circuitous transportation of goods, reduce the intransit time for goods, reduce irrational tie-up of funds and be able to speed up considerably the turnover of commodities and capital, reduce circulation expenses, save time in moving merchandise and to greatly raise the economic benefits for commercial enterprises and for society in general.

3. Beneficial for the Perfection of the System of Management Responsibility in Enterprises

As our country is about to implement the Economic Contract Law, an important special feature to note are the stipulations for contract violations, which lay down various strict responsibilities, particularly economic responsibilities of both parties to the contracts, so that confusion arose from the contracts and contracts became mere formalities. For instance, if the supplier in the case of a procurement and marketing contract does not supply the goods according to the assortment, specifications, quantity, quality and proper time stipulated in the contract, or despatches the goods to the wrong place or wrong unit (person), he will have to pay a penalty for defaulting on his contract obligation and compensate for damages. If the buyer, contrary to contract stipulations, returns goods halfway, does not pay punctually or does not take delivery of the goods, he too will forfeit penalties and have to indemnify for losses incurred. The penalties and compensations for losses must be paid from the profit part of the capital of the enterprises and must not figure as production costs. This will urge the enterprises and their staff and workers to be concerned, out of consideration for their own material interests, about the accurate fulfillment of the contract. It will increase their sense of responsibility and will spur on production and management units to strengthen the internal plan nature of operations. It will make for increased attention to investigation, research and market forecasting, will establish and strengthen the system of personal responsibility, will cause enterprises to adopt principles of business accounting and improve business management. The Economic Contract Law also stipulates that if the economic contract cannot be fulfilled, or not completely fulfilled, due to a fault of the superior leading organ of the business administration office in charge, these agencies must bear the

responsibility for defaulting on the contract. This provision will help establish clear responsibilities and will spur on the said agencies to improve their work. Concretely implemented and conscientiously carried out, these provisions will bring about a closer link between the responsibilities of the enterprises and that of the leading departments. At present some of our commercial enterprises, when carrying out the system of business responsibility, often begin merely from the aspect of profit distribution. If there is no linkage with the execution of party policies, with the overall fulfillment of the plan and raising the quality of service, such enterprises may easily end up merely considering the interests of their own enterprise or their own persons and thus depart from the socialist direction. We must make full use of the economic contract system as an effective method of managing socialist economic enterprises. We must make it a major indicator when measuring the quality of work done at an enterprise to see whether the enterprise is effectively concluding economic contracts and to what extent it fulfills its contracts, and we must urge the enterprises to progressively perfect their systems of business responsibility. While having gained a certain degree of business autonomy, the enterprises must correspondingly bear responsibilities, and after gaining a certain amount of economic benefits must carry out a reasonable distribution of their earnings on the principle of consideration to be given to the state, the collective and the individuals concerned. In this way the rights, responsibilities, operational results and profits of the enterprise will be appropriately combined.

9808

CSO: 4006/109

DOMESTIC TRADE

CHANGES TO IMPROVE MARKETING IN LIGHT INDUSTRIES DISCUSSED

Shanghai JIEFANG RIBAO in Chinese 28 Oct 82 p 1

[Article by Tang Rencheng [0781 0088 2110] and Jiang Mengdan [5592 1125 0030]: "Bureau of Light Industries Proposes Eight Measures For Change"]

[Text] Faced with the current increases in unmarketable products and fierce market competition, what should industrial sectors do? After undergoing earnest analytical discussions, cadres in the Shanghai Bureau of Light Industries concluded that the only solution is to "change what needs to be changed." Recently, they proposed eight measures for change.

This year, although the Shanghai Bureau of Light Industries maintained their superiority in increased production and sales, the number of unmarketable goods also began to increase. At present, there are only three light industrial products supplied by vouchers: bicycles, sewing machines and Qianmen cigarettes. Some goods that in the past were in short supply on the market, are now available in surplus amounts. Even more noteworthy is the fact that the consumer's choice of products has developed from being satisfied with just having a name brand to having one's choice of name brands. They can choose fine, solid and durable new products. Just relying on brand names as before is not regarded favorably.

These changes on the market have produced wide repercussions in the thinking of cadres in the Bureau of Light Industries. Recently, they carried out earnest analysis and studies of production conditions, market conditions and the trends of development. They strongly felt that they could no longer satisfy the needs of yearly advances in production and annual increases in benefits. This kind of arrogance and complacency has seriously hindered new developments in Shanghai's light industries. It has lead to the following results: increases in output and output value have been used to conceal decreases in product quality; increased production and income have been used to conceal an increase in the depletion and cost of some products; brand names have been used to conceal the obsolescence of products and their poor performance. Only by truly opposing arrogance, shattering complacency and radically changing ideology, production, management and work style is it possible to "change what should be changed." In this way, light industries can achieve new advances under new circumstances. They initially planned to start making preparations now so that next year production in light industries would embody changes in the following eight areas.

Change in Guiding Ideology. It is necessary to change from maintaining output and output value to giving priority to the market. It is necessary to organize production, unify production and management and unify rate and benefits in light of the varying needs of international, domestic and rural markets. At present, all the firms of this bureau are stepping up investigations of urban and rural markets. They have gone to visit commercial enterprises and foreign trade departments of their own accord to discuss linking up production and marketing. They are trying to understand market trends for the next 2 years so that they can reorganize production.

Change in Product Structure. They proposed the slogan of "production for one generation, building up reserves for one generation, manufacturing for one generation and planning for one generation." Arrangements have already been made for production next year. Emphasis is on doing good work on the batch production of 17.2 millimeter girls watches, quartz clocks, parallel viewfinder cameras, color film, 107 dual purpose vehicles and 10 new products. At the same time, work has begun on manufacturing and storing nutritious food for children and on another lot of new products. As a result, there are changes in light industrial products every year.

Change in the Mode of Enterprise Organization. The method of production is gradually being transformed from the currently existing method of having large batches with few varieties to small batches with large varieties. At present, based on the bureau's overall arrangements, the clock and watch industry has already begun to carry out appropriate centralization of cooperative linking technologies that have an excessively drawn out technical process. They have set up special plants and special line production for new products. Collaborative project plants have developed departments to arrange for the fittings of new products in order to meet the demands of the entire machine plant.

Change in Methods of Production. Changes in carrying out technological transformation have occurred. Emphasis on rate and profits has given way to emphasis on upgrading and replacing products. For example, in businesses where there have been fairly major changes in the market such as the manufacturing of pens, glass products, chemical products for daily use, enamel thermoses, etc. they are planning to popularize combined molds, multiple molds and conversion molds. They are striving to realize their objectives of having one machine with many functions and one line with a wide assortment.

Change in Work on Information. Recently, the bureau leadership handed down a resolution to transfer personnel to improve work in information and research. They specially established a Light Industries Information Research Institute to launch work in technological information and market forecasting. Concerned departments in the bureau began to set up information exchanges with the information departments of the People's Bank and other units. They are working hard to gradually form an information network that links up higher and lower levels and those at home and those abroad.

Change in the Mode of Manufacturing New Products. It has changed from experimental departments for new products that independently conduct operations to emphasis on new products. They have formed the coordinated processes of planning, manufacture and production. They have broken the limits of departments and accelerated the rate of development of new technologies and new products.

Change in Management. It has changed from waiting for customers to come in and from disregarding the market to taking the initiative to launch an attack and to integrate the management of production. At present, this bureau is summing up experiences in linking up industry and commerce, promoting sales and accelerating production in the three firms involved with manufacturing pens, chemical products for daily use and paper. They are planning to promote this throughout the bureau.

Change in Economic Policy. In order to increase the enthusiasm of basic level enterprises for producing new products, the leadership of this bureau decided that under the conditions permitted by financial reserves, as for all those key new products that influence output value, profits, retained shares and welfare bonuses, the Bureau will provide compensation by implementing the "four acknowledgements of debts." As for collaborative project businesses, such as the firm manufacturing glass products, etc., they are planning to implement the method of internal checks which will be of benefit to the assembly of new products.

9864

CSO: 4006/090

FOREIGN TRADE

CONFERENCE ON ANTI-SMUGGLING CAMPAIGN HELD

Guangzhou GUANGZHOU RIBAO in Chinese 22 Oct 82 p 1

[Article "Provincial People's Government Convened the 3rd Conference on Anti-Smuggling Campaign: Correctly Appraise the Situation and Firmly Carry On the Anti-Smuggling Struggle to the End"]

[Text] The Provincial People's Government convened the 3rd Provincial conference in anti-smuggling campaign at Cong Hua from the 12th to the 17th of this month. With the spirit of the 12th Plenary Session as its driving force, the conference transmitted and carried through the spirit permeated by the 3rd anti-smuggling conference held by the three southeastern coastal provinces, and set-up an anti-smuggling task force to crack down on smuggling activities. The conference asked that each region accurately appraise the anti-smuggling situation, earnestly strengthen leadership, and give full play to the functions of relevant departments at all levels of government to enable them to adopt powerful measures and firmly carry out the anti-smuggling struggle to the end. Provincial vice-governors Wang Ning [3769 1337] and Yang Deyuan [2799 1795 0337] presided over this conference.

The emphasis of this conference was on the analysis of the current status of the anti-smuggling struggle. It was clearly and correctly pointed out that under the correct leadership of the Party Central Committee, State Council, the provincial Party committee and provincial government, in more than a year's time, especially during this past year, various regions have carried through the spirit of the 1st and 2nd anti-smuggling conferences held by the three south-eastern coastal provinces and have implemented relevant decisions of the Party Central Committee and State Council. These regions have launched a penetrating attack against smuggling and blackmarketing activities with good results. Compared to the rampancy of smuggling and blackmarketing of 2 years ago, there has been a positive turnaround. Judging from the first half of the year, we find that large-scale maritime smuggling activities have basically been halted. Black markets with smuggled goods openly laid out for sale have been banned. Smuggling and blackmarketing activities

engaged in by state enterprises, businesses and collective units have been stopped. There is a much heightened awareness among the majority of cadres and people regarding the anti-smuggling struggle, and a large number of serious and important cases have been uncovered and prosecuted. However, the anti-smuggling struggle is still far from completion. We ought to point out that Hong Kong and Macao are our next door neighbors and Taiwan is at our front door, our country and capitalist countries belong to 2 different social systems and have 2 different market and price systems with relatively significant disparities between domestic and foreign prices on many commodities. Unlawful elements will certainly take advantage of these factors and run the risk of danger. For the same reasons, the anti-smuggling struggle is a complex, arduous and long-term struggle.

There has been some increase in inland smuggling activities this past year, especially notable is the smuggling conducted through transportation channels. Using material processing and other trade channels, smugglers operate at a time when materials, parts and finished products are being imported or exported. Based on customhouse statistics, 675 freight-related smuggling cases were tracked down in the first half of the year, with smuggled goods valued at more than 17.17 million yuan. The number of cases and the value of smuggled goods have increased by 57.3 percent and 27.4 percent respectively in comparison with last year's figures for the same period. Cases involving smuggling of Hong Kong currency out of the country have abruptly increased. 3,284 cases involving foreign currency smuggling have been investigated and tracked down, with the amount of currency valued at 4.94 million yuan. The number of cases and the amount of foreign currency seized have increased by 21 percent and 24 percent respectively in comparison with the 4th quarter figures of last year, and 20 cases involve a value of over 1 million yuan. Both the volume and value of cases involving smuggling of foreign currency abroad are unprecedented. Furthermore, since last June, there has been a resurgence in maritime smuggling and blackmarketing activities. From this January to August, the total value of smuggled goods seized amounts to over 78 million yuan. These facts, on the one hand, clearly indicate that our work has achieved new records and, on the other hand, lucidly tell that smuggling and blackmarketing activities still exist and are still serious in certain respects in some areas. If we do not do our work well, promoting a non-resistant, relaxed attitude, there will occur not just a minor relapse but a relatively major relapse of smuggling crimes. Therefore, we must study thoroughly and in depth the 12 important documents. Linking together the practical realities of the local struggles, we must correctly appraise the current struggle situation, continuously enhance our understanding of the importance of the anti-smuggling campaign, and firmly establish a long-term combat mentality. We must look upon the anti-smuggling struggle and the crackdown on criminal activities attacking the economic and other domains as one important guarantee for our efforts to initiate a new phase in socialist construction, and firmly carry on the anti-smuggling struggle to its conclusion.

Based on the extant problems of the present anti-smuggling campaign and the developmental requirements of the situation, the conference placed heavy emphasis on the following: While continuing to strengthen our maritime

anti-smuggling force, in order for it to operate efficiently at sea, we must concurrently and seriously strengthen our inland anti-smuggling force in order for it to perform well on land, and practically stop up the lookholes in freight channels being utilized for smuggling and blackmarketing purposes. Therefore, the conference has conducted earnest discussions in suppressing smuggling and has formulated concrete and practicable measures to resolve issues such as reorganization of the current import-export management system, strengthening of the anti-smuggling administrative agencies, buildup of maritime anti-smuggling troops, and security management of coastal vessels and harbors. We must firmly crackdown on current criminal smuggling and blackmarketing activities and continue to relentlessly seize all major and important smuggling operations.

9519

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TRANSPORTATION

EXPRESS FREIGHT FOR PERISHABLES TO HONG KONG DISCUSSED

Beijing TIEDAO ZHISHI [RAILWAY KNOWLEDGE] in Chinese No 5, Sep 82 pp 10-11

[Article by Ban Changqing [3803 7022 7230]: "The Express Trains That Supply Hong Kong and Macao With Fresh Products"]

[Text] A train loaded with fresh and live products takes off from the Jiangnan Station in Hankou directly for Shenzhen. The train trails wagons filled with live and noisy poultry and livestock like chickens, ducks, pigs and cattle as well as live, aquatic products like breams, silver carp, mandarin fish and eels. This is the express freight train that has supplied fresh products to Hong Kong and Macao from the inland areas of our country since March 1962.

Fresh and Live Products Turn Rotten

In the past, fresh products for Hong Kong took 4 to 5 hours to transport from Jiangnan to Guangzhou on ordinary freight trains. Due to this lengthy transport time, numerous activities en route and the lack of safeguards against transit and reconnections at marshaling and regional section stations, losses of fresh products en route were serious. For example, the death rate of live hogs reached 6 to 9 percent, poultry 10 to 13 percent, live fish 40 to 70 percent. Due to slow transport, on one occasion in the summer of 1961, out of a wagonload of 486 chickens from Hankou to Hong Kong, only 16 survived. On another occasion a wagon load of Huanghe River carp took 8 days to get from Xuchang to Shenzhen. Before reaching Shenzhen they all died and not one was transported to Hong Kong. Normal products that were "live, new and fresh" became "dead, rotten and foul" trash on reaching Hong Kong, which did not fulfill the needs of compatriots in Hong Kong and Macao and also resulted in loss of remittance income.

Hong Kong is small with a total area of 1,061 square kilometers. Its population, according to figures released by authorities, in December, 1981 was 5.2 million but actually there are over 6 million people, 98 percent are Chinese and the others are British, American, Filipino or Indian. In addition, about 200,000 or so tourists visit Hong Kong annually. Macao's area is even smaller, which is merely 16 square kilometers, with a population of almost 300,000. Due to the shortage of land, a large population and lack of resources, Hong Kong and Macao locally produce only a small quantity of

pigs, chickens, ducks, vegetables and other agricultural sideline foodstuff. These items are mainly imported from the Chinese mainland, Taiwan, and Southeast Asian countries. Some come from Australia and various parts of the U.S. but the Chinese mainland plays the major role. However, fresh, live and perishable products are market-dependent commodities that particularly require a guarantee of quality and because of fierce market competition quality control must be strict. In the past, fresh and live products supplied to Hong Kong and Macao suffered damage, death and spoilage because of sluggish transport. At times they were pushed out of the market by foreign goods, creating considerable losses. For example, in 1955 our grain, oil and foodstuffs had 47.68 percent of the market. In 1966 it decreased to 36.68 percent. A similar situation emerged in the past few years. In our supply of eggs to Hong Kong, for instance, the proportion of the 1966 market was 97.47 percent. In 1977, due to a shortage in supply, our share of the market declined to 68.14 percent. Of course, there was more than one cause for such a situation, but poor railway transport was an important factor.

Operating Express Trains

In the early 1960s, in order to speed up the growth of export trade, do well in transport of supplies of goods and materials to Hong Kong and Macao and to change the serious losses of fresh goods, the Ministries of Railways and Foreign Trade commonly agreed on operating an express freight train. First, the No 751 express train was trial-operated from Jiangnan Station direct to Shenzhen. Later, No 753 express train was also operated from Xinlonghua Station and No 755 from Zhengzhoubei Station. Beginning in 1979, to speed up the transport of fresh and live commodities from Hunan Province to Hong Kong, the No 751 train was changed to operation from Jiangnan and Changsha Stations on alternate days. The express train grew from 1 to 3 operations, and the scope of transport from 3 to 7 provinces and 1 municipality. To speed up the transport of livestock such as pigs, cattle and poultry, assignment for Hong Kong's railways was lightened and the turnover of poultry wagons were speeded up. On the basis of operational conditions of the 3 express trains and through study by the Shenzhenbei Station and the organs in Hong Kong, it was decided that beginning in 1979, every day the 3 special livestock trains would be marshaled at the Shenzhenbei Station to switch to Hong Kong's tracks, and the 3 arriving express freight trains would connect with the 3 special livestock trains. This was a new transformation, and in terms of the transport process, it was in actuality extending the terminal station of the express freight trains from the Shenzhenbei Station to Hong Kong and Kowloon.

Increase in the Supply of Fresh Products to Hong Kong

For 20 years, due to common efforts by the two Ministries of Railways and Foreign Trade, endless strengthening of transport organizational work and improvement of the speed and time of operation of trains, the 3 express freight trains have gradually been transformed and upgraded, and they have played an important role in speeding up foreign trade goods and materials, increasing the quality of commodities, guaranteeing supplies to the market

in Hong Kong and Macao, and expanding the income from remittance. For example, due to the operation of the No 751 express freight train from Jiangnan Station to Shenzhenbei Station, the supply of fresh, live and perishable products increased tangibly in quantity and quality. For example, the export of live hogs from Hubei Province was merely 16,531 in 1961. In 1981, it reached 372,000, a 22-fold increase. In 1981 the death rate of live hogs en route was 0.1 to 0.2 percent, a decrease of 5.8 percent from 1961, and on the average each hog lost 16 percent less fat. Compared to 1961, during the entire year of 1981 we exported 86,900 more live hogs and earned over U.S. \$8,780,000 more in remittance. In the past, Zhejiang Province supplied Hong Kong with only live large hogs. From 1976, supply grew to include live medium hogs, live geese, white bird-bone chickens, fruit, vegetables and many other varieties of products. In terms of live fowl and livestock alone, the volume of shipment increase from over 148,000 in 1962 to over 379,000 in 1981. Guarantee of meeting the market demands of festivals and holidays in Hong Kong and Macao has also been made. For instance, when market demand for fresh and live products increased for National Day in 1981, the Shanghai Station promptly organized the sources of goods, stressed the transfer of vacant cars, and between 1 to 5 October 500 large hogs were delivered daily, thus increasing remittance income by U.S. \$250,000.

Operation of the 3 express freight trains have improved and speeded up the transport of fresh and live products. It has also increased the proportion of our products in the Hong Kong market. For example, the proportion of live hogs has increased from 37.9 percent in 1961 to 97 percent. In particular, the proportion of cattle was only 65.4 percent in 1976 with foreign cattle 34.6 percent. In 1981 it increased to 99.9 percent, basically monopolizing the market. Cattle from Indonesia, Australia and other countries no longer come to Hong Kong. Only 88 head of cattle have come from Thailand. The sale volume of eggs, poultry, frozen food and vegetables have also increased tangibly.

Characteristics of the Express Freight Train

The 3 express freight trains are the stipulated and unique special freight trains on the railway route map in our country. They are in some ways different from other freight trains primarily:

Fixed train running schedules and fixed stops. The No 751 train is set to leave Jiangnan at 0028 hour and arrive in Shenzhenbei Station at 0115 hour. The No 753 train is set to leave Xinlonghua at 0218 hour and arrive in Shenzhen at 1055 hour. No 755 is set to leave Zhengzhoubei Station at 0303 hour and arrive in Shenzhenbei Station at 0516 hour. They have few in-between stops and only for such operations as trailing cars, adding ice and water. This guarantees speedy transport of the trains.

Preferential Operation Shortens Stopover Time

In the laying out of route maps, express freight trains have preference over freight trains in general, shortening as far as possible the stopover time at marshaling and regional section stations. This guarantees a higher speed for

express freight trains than other freight trains. For instance, the No 753 train takes 80 hours, 35 minutes to travel the entire course from Xinlonghua to Shenzhenbei Station at an average speed (including stopover time) of 24.1 kilometers per hour. An ordinary freight train would take about 120 hours, or 39 hours, 25 minutes longer at an average speed of 7.9 to 8.0 less kilometers per hour, or 8 kilometers per hour slower.

Marshaling Method for Special Freight Cars

Because the number of cars in an express freight train is small, haulage sometimes does not meet stipulated standards. To avoid lack of axle (that is when a train is not hauling adequate tonnage) and cut down waste, it is correspondingly stipulated with possible trailing of other freight cars. For this, freight car marshaling plan has given concrete provisions for marshaling sequence and details. The No 753 train from Xinlonghua Station, for instance, is stipulated to trail 4 car groups: Starting from the engine, the first group trails the Shenzhen refrigerator cars; the second group trails fresh, and live products as well as goods in general to be unloaded in Shenzhen; the third group trails mechanical refrigerator cars to be unloaded at Shenzhen; and the fourth group trails cars from Yingtan Station and beyond.

Cars Can Switch Tracks from Shenzhen to Kowloon

After the express freight train arrives at Shenzhenbei Station, it switches tracks in Shenzhen where it is hauled directly to Kowloon by a small engine. Moreover, it punctually enters Hong Kong's special line delivery cars thus economizing on expense, further decreasing in and death of live products, and speeding up the turnover of goods.

Express freight trains have been in operation for 20 years. In these 20 years, due to the mutual coordination and common effort of the Ministries of Railways and Foreign Trade, in practice some methods have been created that are aimed at safeguarding good operation of express freight trains such as the "one cooperation," that is, close cooperation between the Ministries of Railways and Foreign Trade; "two guarantees," that is, foreign trade departments guaranteeing sources of goods and railway departments guaranteeing rail cars; "three preferences," that is, transportation plan gives preferential approval, preferential arrangement in plans for switching and marshaling cars, preferential use of engines and rail lines; and "four fixes," that is, fixed loading location, time for transport cars, marshaling plan, and holding routes. Besides, demands on "high quality, suitable quantity, balance, timeliness" have been made on the supply and transport of fresh and live products. These methods and demands have brought good results.

The main problem existing in the operation of express freight trains is the low wagon trailing rate and timely operation of trains is still not good enough. Further measures are being adopted to resolve them.

TRANSPORTATION

PROGRESS IN RAIL TRANSPORT DISCUSSED

Beijing TIEDAO ZHISHI [RAILWAY KNOWLEDGE] in Chinese No 5 28 Sep 82 pp 2-3

[Article by Yuan Kai [0337 1956]: "Long and Busy Rail Transport Lines"]

[Excerpts] This year, railway transportation in our country has taken on a new prospect for comprehensive growth. In the first half of the year both rail passenger and freight volumes have been overfulfilled and reached the highest level for the same period, ever. The quality of service has improved and progress has been made in transforming the present state of railway technology and newly-constructed railroads. Looking at the railway work since National Day, people can see good prospects for future growth.

So far this year, the implementation of the policy of further readjusting the national economy has continued to achieve results and all trades and professions have expanded at a steady pace. Not only has there been a rapid increase in the production of energy resources, light industry, chemical industry, construction materials and materials in support of agriculture, some trades, such as the machinery industry, whose production temporarily decreased during readjustment have also come out of the "slump" and shown a steady increase. Exchanges between towns and country have been active, markets have been prosperous and foreign trade has grown. This has made even greater demands on rail transportation and has provided favorable conditions. It is under such conditions that comprehensive growth has been achieved in rail transport.

Large Increase in Passenger Transport

As you walk into Shenyang Station, which has the highest volume of passengers in the country, you would find it crowded with trains and people and looking particularly busy. This station has over 140,000 passengers who get on and off trains every day and it operates over 140 passenger trains that, including freight and switch cars, pass once every minute or so. In the first half of the year passenger transport was overfulfilled by 51.5 percent, an increase of 8 percent over the same period last year. Many stations on other main lines have a similar situation. In the first half of the year 492,000,000 people were transported nationwide, which is 51.8 percent of the plan or a 3.9 percent increase over the same period last year.

Since the 3rd Plenary Session of the 11th Party Central Committee, transport of passengers by rail has grown rapidly and has doubled the average growth rate since the founding of the state. The growth of the volume of passenger transport this year has some distinct characteristics: First, under the general increase in passenger transport volume of all railways throughout the country, the main lines in coastal regions east of the Beijing-Guangzhou line has had a greater increase. Second, under the increase in the number of passengers travelling long and short distances, the volume of long-distance passengers has had a greater increase. Third, under the increase of passengers at all stations throughout the country, major coastal stations have a greater increase.

Passenger transport volume has increased because of economic growth, a rise in the people's living standard, expansion of tourism, and particularly the growth of production teams and enterprises along coastal areas has promoted close economic exchanges between provinces and cities and between regions. This is a reflection on rail transport of our country's adoption of an open policy toward foreign countries and the policy of enlivening the economy. The increase in passenger transport volume will continue.

Steady Rise of Coal as Key Freight Transport

Coal has always been the greatest amount of material transported by rail in our country. The task of transporting coal from west to east and from north to south is burdensome. In the first half of the year, Taiyuan Railway Bureau whose major task is the transportation of coal has completed 53.6 percent of its year's task in freight including coal. Yumengou Station, the main coal station for outgoing Xishan coal, has increased the capacity of its transport cars, completed its tasks, and has basically satisfied the needs of the Xishan Mining Bureau. Other railway bureaus with considerable coal transport tasks have also completed their tasks.

Due to the readjustment of the national economy, the volume of freight transport by rail has somewhat decreased in the past two years. But this year, following the overall production growth of all trades and professions, steady increases have appeared in rail freight volume. In the transport of energy resources particularly that of coal, due to the increase in raw coal production in the first half of the year by 11.3 percent over the same period last year, the volume of rail transport of raw coal increased over last year by 9.5 percent for a total of 218 million metric tons, or 6.65 million metric tons more than the highest level for the same period, ever.

The total industrial output of the whole country in the first half of the year has doubled that of the same period last year, and the volume of rail freight also increased by 8.2 percent at a total of 551 million metric tons or 53 percent of the year's plan. Not only has the transportation of goods and materials within the plan and of key materials been completed, materials which are outside the plan, locally distributed and for the people's daily use have also been loaded and transported. Following readjustment of the national economy, the structure of rail freight has also undergone corresponding changes. In the volume of rail freight, the portion reflecting

increase of materials in support of agriculture, light and textile industries is considerable, while that reflecting the increase of heavy industrial goods and materials does not have a high corresponding increase even though the machinery industry has picked up.

The distance of passenger and freight transport has also increased. The turnover volume of passengers and freight, the comprehensive product representing rail transport, completed 376.9 billion ton kilometers in the first half of the year, exceeding the highest level in history by 7.5 percent.

Transportation Capacity Has Increased

So far this year, new results have been achieved in tapping the potential of transportation, strengthening organizational work in transportation and expanding transportation capacity. For example, new route maps for trains have been drawn up and new runs have been added according to the conditions of increase in passenger and freight on different lines. On the basis of implementation of new maps after last October, passenger and freight trains have been added on various main lines, with over 60 for passengers and over 100 for freight, so that the overall capacity for passenger and freight transportation has generally increased. The Beijing-Guangzhou, Beijing-Harbin, Beijing-Shanghai and other lines with a pressing demand for passenger transport have adopted the means of marshaling rapid passenger trains or adding carriages to increase the passenger transport volume. In areas and sections where transport is in demand, measures such as increasing the set haulage, organizing balanced or direct transportation have been adopted. Places with favorable conditions have adopted the branch use of new lines to expand transport capacity. For example, good results have been made in utilizing the Beijing-Tongliao line to help share the transport of coal to the Northeast, the newly-constructed Handan-Changzhi line to share the outflow of coal from eastern and southern Shanxi through the Taiyuan-Jiaozuo line, the Jinan-Xinqiao-Xinchang line to share the flow of goods from the Jiao-Ji and Jin-Pu lines, and the Zhicheng-Liuzhou, Xiangfan-Chongqing, Anhui (Wuhu)-Jiangxi (Guixi) and other new lines to share transport with existing railroads.

Rapid Progress in Technical Transformation

Considerable progress has also been made in strengthening the technical transformation of existing railroads, constructing necessary routes and increasing new transport capacity. This mainly involves connecting and expanding routes for transporting coal, resolving outbound coal from Shanxi, outbound coal and phosphorus from the Southwest and opening routes behind coastal ports particularly expanding the outbound transport of coal from Shanxi. For example, overall construction of the Beijing-Qinhuangdao line began in March this year where over 400 bridges and tunnels are undergoing pressing repair. Comprehensive work has also begun on the Beijing-Baotou multiple tracks and the electrification projects of its Fengtai-Shacheng-Datong section. The multiple tracks between Xuzhou and Shangqiu in the eastern section of Long-Hai line have already been handed over for use. Part of the multiple tracks in areas of the Shijiazhuang-Dezhou and Jiao-Ji lines will be completed within the year. The electrification projects of the Shijiazhuang-Taiyuan line and the western section of the Long-Hai line between Tianshui and Lanzhou will be in use within the year. After these

projects are totally completed and in use, routes will increase for the outbound transport of coal from Shanxi, transportation flow will be smooth all-around and outbound freight capacity will increase by 50 percent. Besides, key reconstruction projects due to floods have basically been completed on the Baoji-Chengdu, Baoji-Tianshui and Yangpingguan-Ankang lines which have been hit by natural disasters and seriously blocked.

Moreover, good results have been achieved in maintenance, vehicles, labor, electric work and other areas. The consumption of locomotive fuel has decreased. Coal, oil and electricity have been economized compared to last year. Labor production rate, cost, revenue, profits and other economic quotas in transportation have improved over last year and economic benefits have increased. Profits in transportation in the first half of this year have increased over last year by 16.7 percent.

Although construction work in rail transport has made progress throughout this year, there are still many shortcomings and problems, particularly poor safety in train operations, a high number of accidents, heavy losses and casualties. The quality of service is poor and work efficiency is low. Sale of tickets to passengers is inconvenient. Freight owners often have difficulties in consigning shipment, and goods get lost or damaged. Catering service at stations continues to be poor. Critical comments on these problems have been offered from inside and outside the rail service.

The State Council has recently given important instructions. Leadership of railway departments at all levels and the broad masses of staff workers are adopting vigorous measures to strengthen political and ideological work, maintain strict discipline, strengthen the legal system to maintain safety in train operations, achieve punctual train schedules, give consideration to passengers and goods, provide quality service, bring tangible results, strive to increase economic benefits, stress efficiency of transport and meet the needs of building rail transport by national economic growth and the masses.

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TRANSPORTATION

LOCOMOTIVE NOMENCLATURE IN PRC

Beijing, TIEDAO ZHISHI in Chinese No 4, 28 Jul 82 pp 20-22

[Article by Pu Jiwu [5543 4764 2976]: "On Locomotive Types and Nomenclature in China"]

[Text] We often see a conspicuous label on the sides or front of railroad locomotives, such as "Advance," "East Wind," or "Shaoshan." Some do not have Chinese characters but letters of the alphabet such as "KD." A few years ago one could also see national phonetic symbols such as "一五." These characters or symbols are followed by several Arabic numerals. What do these markings mean? Herein lies some interesting railroad lore. There are many kinds of locomotives; each kind has different models; and each model has different serial numbers. Reading the markings tells us the kind, model and serial number of the locomotive.

Wheel Arrangement and Axle Arrangement

The three kinds of locomotive used in China today are the steam locomotive, the diesel locomotive and the electric locomotive. Each kind has many different models. The nations of the world use various systems for naming locomotive models. Some use letters of the alphabet, while others use the names of persons; sometimes the names are chosen by the entire country, and sometimes they are chosen by a railroad department or a manufacturer. It is all quite multifarious and complicated. However, they have one point in common: the system of classifying locomotive models by wheel arrangement--"wheel order" or "axle order"--is used internationally.

We know that a locomotive has many wheels and each pair of wheels is connected by an axle. At the front of the locomotive are the "pilot wheels," in the middle are the "driving wheels," and at the rear are the "trailing wheels." The "wheel order" uses Arabic numerals to indicate the number of pilot wheels, driving wheels, and trailing wheels. For example, the Victory class steam locomotive has four pilot wheels, six driving wheels and two trailing wheels: its wheel order is therefore 4-6-2. The "axle order" uses Arabic numerals to indicate the number of axles. If we convert the wheel order to axle order it will be 2-3-1. This indicates that there are two pilot axles, three driving axles, and one trailing axle.

China's steam locomotives have always been classified by wheel order, but diesel and electric locomotives are classified by axle order. Diesel and electric locomotives have two trucks (frames under the locomotive which swivel on curves:

the axles and wheels are mounted on these frames). The number of axles on each truck is indicated by numbers or letters. A subscript "o" indicates electric transmission; a prime "'" indicates hydraulic transmission. A "2" or a "B" indicates two axles; a "3" or a "C" indicates three axles. For example, the Beijing model hydraulic transmission diesel locomotive has the axle order 2'-2', or B'-B'. The East Wind model electric transmission diesel locomotive has the axle order $\underset{o}{3}-\underset{o}{3}$ or $\underset{o}{C}-\underset{o}{C}$.

Model Names and Code Names

A "model name" is a name for a type of locomotive with a certain wheel or axle order. "Victory," "Beijing," and "East Wind," are all model names. Locomotives of the same model which differ in power, or which were built at different times, will have subscript numerals as supplementary indicators following the model name. For example, "East Wind₂," "East Wind₃," etc. Letters may be used as codes for the model names. For example, the pinyin alphabetic spelling of "Victory" is "Shengli": the initial letters "SL" are used as a code name for Victory class locomotives.

Evolution of the Model Names of Steam Locomotives

Prior to liberation the situation with regard to steam locomotives models in China was very complex. At one time there were over 150 locomotive models, and for a long time English, American and Japanese nomenclature was used for the model names. As a result of attrition there are only ten-odd locomotive models in common use today. (See table)

The table shows the wheel orders, model names and the evolution of the code names for steam locomotives. Before liberation, railroads in the northeast used the Japanese syllabary for code names. In July 1950, just after liberation, the national phonetic symbols were designated for use throughout the entire country.

In September 1959, almost 10 years after liberation, another great reform was carried out as the pinyin alphabet was substituted for code names. Except for a few principal locomotive models, this system has been in use since then. Of the various models listed in the table, those most commonly used and most numerous, past and present, are the following: 4-6-2, 2-8-2, 2-8-0, 2-10-2. The 4-6-2 model has a truck with two pairs of pilot wheels, turns easily, and has large diameter drivers (1,750 millimeters): it is suited to high speeds, and is used as a passenger steam locomotive all over the world. In the United States it is called "Pacific," so its code name is PF; the Japanese code name is パシ [pashi]; and the national phonetic code name is 文T [poxi]: all are derived from "Pacific." The 2-8-2 model was designed in the United States for Japan around 1920. Its name means "Emperor of Japan." The English name is "Mikado," which is based on a Japanese reading of the character 帝 [di, 'emperor']. Its code names have been シカ [mika], MA, and 一五 [muke]. This model is used extensively as a freight locomotive in China. The 2-8-0 model is called "Consolidation" in English; its code names have been CS, ソリ [sori], ムカ [sile], and KD. It is frequently used for freight and switching.

Table: Wheel Order of Steam Locomotives in Common Use in China

Wheel Order	English Name	Preliberation Codes		1950 National Phonetic Codes	1959 Pinyin Alphabet Codes
		Eng.	Jap.		
2-4-0	4-Coupled			ㄟㄩ	
4-4-0	American	AM	ㄞㄞ	ㄞㄞ	AM
4-4-2	Atlantic			ㄞㄟ	
0-6-0	Six-Wheels	SA	ㄟㄞ	ㄟㄟ	XK
2-6-0	Mogul	MG	ㄞㄟ	ㄞㄟ	MG
2-6-2	Prairie	PR	ㄞㄟ	ㄞㄟ	PL
2-6-4	Double End	TS	ㄟㄟ	ㄞㄟ	DB
4-6-0	Ten-Wheels	TN	ㄟㄟ	ㄞㄟ	TH
4-6-2	Pacific	PF	ㄞㄟ	ㄞㄟ	SL Victory RM The People KD
2-8-0	Consolidation	CS	ㄟㄟ	ㄞㄟ	
2-8-2	Mikado	MA	ㄟㄟ	ㄞㄟ	JS Construction JF Liberation
4-8-2	Mountain	MN	ㄟㄟ	ㄞㄟ	MT
4-8-4	Confederation	FE		ㄞㄟ	KF
2-10-0	Decapod	DP	ㄟㄟ	ㄞㄟ	DK
2-8-8-2	Mallet	RB	ㄟㄟ	ㄞㄟ	ML
2-10-2	Sante Fe	SF	ㄟㄟ	ㄞㄟ	ST FD QJ Advance

Some of the Principal Steam Locomotive Models

The four models mentioned above have undergone many alterations, resulting in new types. Some of these have become China's principal steam locomotive models.

In September 1959, when locomotive model names were changed throughout the country, the 4-6-2 model name was changed to "Victory," and the code name was changed to SL. This is an important passenger locomotive on some of China's trunk and trunk and branch lines. Locomotives with the same wheel order which were built at different times, or which generate different amounts of power, are distinguished by supplementary subscripts as SL₁, SL₂, SL₃, etc.: there are altogether 14 such varieties.

Subsequently, the Victory model was redesigned to increase the boiler pressure, as well as the speed with which it could be built. The new passenger locomotive built by the Sifang Locomotive Plant was named "The People" (Ren Min), with the code name RM. Aside from the diesels, this is the most important passenger locomotive on China's trunk lines.

In 1959, the 2-8-2 class freight locomotive was renamed "Liberation" (Jie Fang), with the code name JF. Other locomotives of this class are distinguished by subscripts such as JF₂, JF₃, etc. Altogether there are 16 types.

Later the JF model was redesigned and performance was improved by the Dalian Locomotive Plant and other locomotive plants. This new freight locomotive was named "Construction" (Jian She), with the code name JS. This is an important freight locomotive on China's trunk lines.

The 2-10-2 class locomotives imported from the Soviet Union in 1958 were called ФД class steam locomotives. The model was named after the initials in the Russian alphabet of the proletarian revolutionary Feliks Dzerzhinsky. At that time China renamed it "Friendship" (You Hao), with the code name YH. Afterward, it was redesigned in China and turned into a better performing and more powerful 2-10-2 class locomotive called "Peace" (He Ping), with the code name HP. At the beginning of the Cultural Revolution the first type was renamed "Antirevisionist," and the second type renamed "Anti-imperialist." In 1971 the old name of the first type was restored using the pinyin alphabet: "FD"; and the second type was renamed "Advance" (Qian Jin), with the code name QJ. The Advance model is the most powerful freight steam locomotive in China today.

Changes in the Names of Diesel and Electric Locomotive Models

China began to study diesel and electric locomotives in 1958. In 1964 serial production of a 1,800 horsepower electric transmission diesel locomotive was begun. It was named "Dragon" at first, and then officially renamed "ND." N stands for the pinyin spelling of "diesel" (neiran), and D stands for the pinyin spelling of "electric transmission" (dianchuandong).

At that time trial manufacture of a hydraulic transmission diesel locomotive was taking place. It was named "NY," with N standing for "diesel," and Y standing for "hydraulic transmission" (yechuangdong). Accordingly, the electric transmission diesel locomotives imported from Romania were named ND₂, and those imported from France were named ND₄. The hydraulic transmission diesels imported from West Germany were named NY₅, NY₆, NY₇, etc.

There is a different rule for the naming of electric locomotives. They are classified according to the number of axles and the type of rectifier. The electric locomotive built at the Zhuzhou Locomotive Plant in 1959 was named "6Y₁": 6 indicates six axles, and Y indicates "ignitron rectification" (yinranguan zhengliu). Afterward, when silicon semiconductor "ignitron rectification" (yinranguan zhengliu). Afterward, when silicon semiconductor rectifiers were introduced for electric locomotives, this model was named "6G": 6 is the number of axles, and G stands for "silicon" (Gui). The type of electric locomotive imported from France was the 6G.

In August 1967, the high tide of changing street and shop names also affected locomotive nomenclature. The Chinese-built electric transmission diesel locomotive was renamed "East Wind," and the hydraulic transmission model was renamed "The East Is Red." These names are still in use. In 1975 the hydraulic transmission diesel locomotive built by the Beijing 27 Locomotive Plant was named "Beijing." This is the principal passenger locomotive on trunk lines today.

The Chinese-built electric locomotive is named "Shaoshan," with the code name SS.

The Serial Numbers After the Model Name

The serial number consists of three or four digits after the locomotive model name. These numbers are part of a nationwide system to facilitate control, and to prevent errors in the use of locomotives caused by duplicate numbers. The locomotives of each class have individual numbers in a certain sequence. For example, the serial numbers of the Liberation class run from 1 to 2050 for the JF models, from 2051 for the JF₂ models, from 2551 for the JF₃ models, from 2701 for the JF₄ models, and so forth. The serial numbers of the other classes are generated in the same fashion.

The markings on each locomotive consist of a model name and a serial number.

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TRANSPORTATION

YELLOW RIVER BRIDGE AT JINAN COMPLETED

Beijing CONGLU in Chinese No 8, 1982 pp 41, 33

[Article by Zhang Mingfa [1728 2494 7569]: "Yellow River Highway Bridge at Jinan Is Completed and Opened to Traffic"]

[Text] On 14 July 1982 the Yellow River highway bridge at Jinan was completed and a ceremony was held to open it to traffic. The great bridge is altogether 2,023.44 meters long. The main section is a stayed-cable bridge with pre-stressed concrete continuous girders. It has a span of 488 meters, composed of sections which are 40, 94, 220, 94 and 40 meters long: this is one of the longest bridges constructed to date in China. The approach spans have 51 arches, with spans of 30 meters, for a total length of 1,535.4 meters. They are constructed with pretensioned prestressed concrete compound box girders. The deck has a roadway 15 meters wide and walkways 2 meters wide on both sides. The bridge meets the weight bearing standard: automobile--20, trailer--100. It can also bear large 218 ton flatbed trailers. The channel beneath the bridge meets the standards of a class 4 navigation channel. The entire foundation is constructed of cast-in-place piles with diameters of 1.5 or 1.2 meters. The piles of the main piers are 82 to 88 meters long; the piles of the approach spans and bridge abutments are 40 to 54 meters long. The two main towers are A-frame gate type. The suspension towers are fixed to the supporting abutments without any pier shafts. They are 68.4 meters high. The tower girders are separated in a suspension system. The cables are in a fanlike layout: they are 8 meters apart; there are 11 pairs; each pair is composed of 2 to 4 bundles; and each bundle is made up of 67 to 121 galvanized high strength steel wires which are each 5 millimeters in diameter. The cable anchorages are chill cast pier anchorages. The main girders are double-chambered half-closed box girders, prestressed in three directions.

Although a portion of the capital for the bridge was provided by the state, the greater part was raised by Shandong Province itself. Plans were drawn up by the Shandong Province Communications Planning and Design Institute, while construction was carried out by the construction unit of the Communications Department. Work was begun in December 1978 and completed at the end of June 1982. Examination and acceptance was organized by the Shandong Provincial People's Government. Su Yiran [5685 3015 3544], secretary of the provincial party committee, cut the

ribbon in a bridge opening ceremony attended by Vice Minister of Communications Wang Zhanyi [3769 1455 1150]. The bridge required a capital investment of 36.1 million yuan, 5,164.6 tons of steel, 4,777.2 cubic meters of lumber, and 36,397 tons of cement.

The completion of the Yellow River highway bridge at Jinan has great significance for linking up highway communications between north China and east China, promoting urban and rural economic prosperity, supporting industrial and agricultural construction, benefiting the lives of the people, strengthening national defense, and accelerating the four modernizations construction. At the same time it has given China rich experience in bridge building, and greatly advanced China's bridge building technology.

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CSO: 4006/37

TRANSPORTATION

DONG RIVER BRIDGE IN SICHUAN COMPLETED

Beijing CONCLU in Chinese No 8, 1982 p 33

[Article by Ji Cuihua [1323 5050 5478] and Fan Kun [5400 2492]: "Dong River Bridge at Cangxi, Sichuan, Completed and Opened to Traffic"]

[Text] On 14 May the Dong River bridge on the Shima Highway in Yuanba Prefecture, Cangxi County, Sichuan Province, was completed and opened to traffic.

This is a 263.5 meter long prestressed crossed arch highway bridge. The superstructure has three 60 meter and one 35 meter prestressed reinforced concrete trussed arches, and one 4.7 meter prestressed reinforced concrete slab. The bridge deck has a net width of 7 meters, with .75 meter sidewalks on both sides. Gravity pier abutments form the substructure. The loading standard is: automobile--20, trailer--100.

Plans for the Dong River bridge were made by the Highway Bureau of the provincial Communications Department and its No 1 Engineering Office. The bridge was constructed by the No Engineering Office's No 3 Construction Crew. After completion of the bridge, inspection and acceptance was carried out by organizations of the provincial Communications Department and its Highway Bureau, the Nanchong Prefecture Communications Bureau, and other local government and highway maintenance units. All concurred that the engineering quality of the main span is good.

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TRANSPORTATION

QINGHAI-TIBET RAILWAY SECTION COMPLETED

Beijing TIEDAO JIANZHU in Chinese No 9, 1982 p 38

[Article by Liang Yuteng [2733 5038 7506]: "Qinghai-Tibet Railway: Preliminary Inspection Begins on the Haergai-Xireg Section"]

[Text] From 1 June to 14 June 1982 the Qinghai-Tibet Railway Haergai-Xireg Section Preliminary Inspection Leaders' Group, organized by the Ministry of Railways and the railway corps, carried out a preliminary on-the-spot examination of the project, and held a first meeting of the Preliminary Inspection Leaders' Group in Xining.

The 181 kilometer Xining-Haergai section of the Qinghai-Tibet Railway is already in operation. The Haergai-Xireg section runs west from Haergai station, through Gangca County, along the north bank of Qinghai Lake. After passing through Tainjun County, and Guanjiayakou in the Wunong Mountains, it enters Ulan County in the Qaidam Basin, and ends at the Xireg depot station. It is altogether 250 kilometers in length. This section runs mostly through a high plateau region: topography and landforms are complex, elevation is high, the cold season is long, and the temperature varies greatly between day and night. This is the first railroad to be constructed in China which is entirely on a high plateau above 3,000 meters.

Construction of the Haergai-Xireg railway began in 1958, but was halted in 1961. Work resumed in 1974, and was completed at the end of 1977. After several further years of work on the accessory installations, production and living facilities are now complete.

It is planned to turn over the Haergai-Xireg section to operating departments at the beginning of 1983. Once it is in operation, it will play an important role in opening up the precious resources of the Qaidam Basin, and in supporting China's four modernization construction; in making prosperous the economies of the various nationalities of Qinghai and Tibet, and in strengthening national defense and national defense construction. At the same time, it will enrich our experience in operating and managing railroads on high plateaus.

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GENERAL

GOAL OF QUADRUPLING DISCUSSED

Shanghai WEN HUI BAO in Chinese 15 Oct 82 p 3

[Article by Zhang Jiguang [1728 4949 0342]: "What is Meant by 'Quadrupling'?"]

[Text] In his report to the 12th National Party Congress, Comrade Hu Yaobang pointed out that in the 20 years from 1981 to the end of this century, if we continue to upgrade economic benefits, the annual gross output value of industry and agriculture throughout the country will quadruple. This is the magnificent strategic objective proposed by the party Central Committee after comprehensive analysis of our nation's economic situation and trends of development.

What is meant by quadrupling?

This so-called quadrupling is based on the 1980 industrial and agricultural gross output value (according to calculations of 1980 constant prices). In the year 2000 our country's industrial and agricultural gross output value will quadruple to almost four times the earlier figure. That is, it will increase from 710,000 million yuan in 1980 to about 2,800 billion yuan.

However, quadrupling is not merely a concept of output value. It includes the unity of rate and benefits and the unity of production construction and the achievements of science and technology. First of all, it will upgrade economic benefits, in the next 20 years, if we reduce consumption, use the same amount of energy resources and raw and processed materials, it will bring about the doubling of value or the doubling of economic benefits. Next, the output value of industrial energy resources and raw and processed materials will double in 20 years. Further, it will improve science and technology and it will improve the range and quality of processing industries by improving technology and increasing the number of new varieties. At the same time, the advancement of science and technology may open up new and developing industrial sectors and enable newly developing industrial sectors such as electronics, nuclear energy, information, petrochemical industries, new materials, etc., to grow to maturity and develop. This will also strongly stimulate growth in the industrial gross output value. In this way quadrupling of the gross output value will occur. Therefore, quadrupling is a general concept that will occur given constant improvements in economic

benefits. Growth in output value is not exaggerated nor is it inflated, it is realistic. It is reached by constantly increasing the level of science and technology, tapping existing potential, decreasing consumption, improving quality and marching towards improved range and quality in production.

Does quadrupling mean that the output value of various products quadruple? This needs further concrete analysis. Quadrupling refers only to the annual industrial and agricultural gross output value and embodies the output or output value of every kind of product. Due to the fact that objective conditions vary, they will not all necessarily quadruple. Some will quadruple exactly, some will less than quadruple and others will more than quadruple. In agriculture for example, because it is restricted by cultivation and natural factors, it would be fairly difficult for grain and cotton to quadruple. As for energy resources, much capital has to be invested and the production cycle is lengthy. Thus, if we set up a mine with a yearly output of 1 million tons of coal, it will require an investment of 200 million yuan and 7 years. If we set up a 10 billion watt hydroelectric power station, it will require an investment of 1 billion yuan and 7 years. It is very difficult to quadruple in these sectors. On the other hand, certain sectors such as the machine building industry are industries that supply material and technical equipment to various sectors of the national economy. They keep up with the needs of development in production and technological transformation so that they may triple or quadruple. Further more, at present our national economic structure is in the process of re-organization and reform. As the economic structure gradually becomes more rational, corresponding changes will occur in the proportional relationship and growth rate of various products.

Does quadrupling imply that the national income and the wages of staff and workers must also quadruple? This too requires further concrete analysis.

There are both connections and differences between the gross output value of industry and agriculture and the national income. The industrial and agricultural gross output value is the total volume of industrial and agricultural products for one year based on currency calculations. The national income is the remaining sum which is deducted from the gross output value and used to compensate for the cost of production materials that have already been used up. Thus the national income total must be less than the gross output value. If the industrial and agricultural gross output value quadruples, whether or not the national income will also quadruple depends on the state of economic benefits. In general, if economic benefits do not change and the gross output value quadruples, the national income will also quadruple. If economic benefits improve remarkably and the same quantity of production materials are used to produce even more products, then the growth rate of the national income will be greater than the growth rate of the gross output value. On the other hand, if economic benefits are cut back, the growth rate of the national income will be somewhat less.

Under normal conditions, the rate of increase for wages will be less than the growth rate of the annual industrial and agricultural gross output value. First of all, this is because some of the national income is used for

accumulation as well as for people's consumption. In the past few years, the state has made major efforts to resolve problems left over from the decade of unrest and to improve the people's standard of living. As a result, the proportion of consumption in the national income rose from 63.5 percent in 1978 to approximately 70 percent in 1981. The people's living standards are continuing to improve. However, the extent of this improvement must be less than the extent of increases in the growth of production and increases in labor productivity. If not, the state will not have the necessary accumulation of capital to carry out extended reproduction. The people's standard of living would lack a material basis that continues to improve. This in turn would influence the basic interests and long-term interests of the people. Second, some of the national income used for consumption goes to increasing the wages of staff and workers in physical production sectors. Some must also be used to increase the wages of staff and workers in non-physical production sectors. Third, following the development of production, the number of staff and workers has also increased. The extent of average wage increases among staff and workers must be less than the extent of increases in the total amount of wages. However, as the report of the 12th National Party Congress pointed out, by the end of this century the income of urban and rural people will double and redouble. According to calculations of the population's average income, we may still reach a comfortable level, that is, reach the level of prosperity of the world's middle class. The people's standard of living will improve in a tangible way.

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